UNITED
NATIONS

A

General Assembly

Distr.
GENERAL

A/AC.96/950
4 September 2001

Original: ENGLISH

EXECUTIVE COMMITTEE OF THE
HIGH COMMISSIONER'S PROGRAMME

Fifty-second session

UNHCR ANNUAL PROGRAMME BUDGET

2002

GE.*200100260 6*

ENG

TABLE OF CONTENTS

		Paragraphs	Pages
ABBREVIATIONS AND ACRONYMS			5-6
INTRODUCTION			7
I.	Structure of document	1-3	
II.	Context of Budget Presentation	4-7	
PART I: OVERVIEW			9-14
I.	Introduction	8	
II.	Role of UNHCR	9	
III.	Refugees and Others of Concern to UNHCR	10	
IV.	Overall Programme Needs		
	A. Budget Parameters	11	
	B. 2000 Expenditure	12	
	C. Revised 2001 Budget	13	
	D. Supplementary Programmes: 2001	14	
	E. Initial Projections for 2002	15	
V.	Operational Reserve	16	
VI.	Working Capital and Guarantee Fund	17	
VII.	Special Operations	18	
VIII.	Resources	19	
IX.	Overall Post Levels	20-22	
X.	Support Budget	23	
XI.	Other Issues	24	
XII.	Draft General Decision on Administrative, Financial and Programme matters	25	
Tables:			
I.1	UNHCR Expenditure in 2000 and Projections for 2001-2002		15
I.2	Resources for Programmed Activities: 2000-2001		17
I.3	Analysis of Overall Post Levels: 2001-2002		18
Figures:			
A.	Use of Total Resources: 2002		19
B.	Posts by Category: 2002		20
PART II: PROGRAMMES AND RELATED ISSUES			21-41
I.	Introduction	26	
II.	Mandate of UNHCR	27- 28	
III.	Global Consultations on International Protection	29-33	
IV.	Refugees and Others of Concern to UNHCR	34-35	
V.	Global Challenges	36-52	
VI.	Programmes		
	A. New Emphases	53-60	
	B. Community Development	61	
	C. Ensuring Programme Performance	62-69	
VII.	Programme of Work: 2002	70-74	
VIII.	Special Operations	75-80	

IX. Supplementary Programmes 81-89
X. Programme Needs
A. Revised 2001 Budget 90-94
B. Initial Projections for 2002 95
XI. Resources
A. Introductory Comments 96-99
B. Resources 2000 100-101
C. Resources 2001 102
D. Resources 2002 103-104
E. United Nations Regular Budget 105-108
F. Trust Funds 109-110
XII Partnership
A. General Comments 110-114
B. Current Implementation Patterns 115-117

Tables:
II.1 Annual and Supplementary Budgets: 2001-2002 42
II.2 Supplementary Programmes: 2001 43
II.3 Transfers from 2001 Operational Reserve 44-45
II.4 Special Operations: Initial Estimates 2002 46
II.5 Contributions to 2000 UNHCR Programmes 47
II.6 Contributions (NG s, Foundations, Private Donors) 48
II.7 Use of Resources: Estimated Distribution of Programmes and Programme Support by Country within Regions: 2002 49-56

PART III: SUPPORT BUDGET 57-71

I. Introduction 118-119
II. Management and Administration and Programme Support
A. General 120-121
B. Programme Support
1. Field 122-136
2. Headquarters 137-154
C. Fund for the International Field Staff Housing and Basic Amenities 155-157
D. Management and Administration of the Organization
1. Executive Direction and Management 158-172
2. Evaluation and Policy Analysis Unit 173
3. Division of Communication and Information 174-176
4. Division of Resource Management (DRM) 177-187

Tables:
III.1 Support Budget Estimates by Organizational Unit: 2001-2002 72
III.2 Support Budget Estimates by Chapter of Expenditure: 2001-2002 73
III.3 Support Budget Estimates by Appropriation Line and Location: 2001-2002 74
III.4 Estimated Distribution of Support Posts by Source of Funds and Organizational Unit: 2001-2002 75-76
III.5 Analysis of Support Post Changes (PS/MA) - all Sources of Funds 77

III.6 United Nations Regular Budget Posts 78
III.7 UNHCR Security Costs Estimates: 2001-2002 79
III.8 Training for UNHCR Staff: 2000-2002 80
III.9 Summary of UNHCR Training Activities in 2000 81
III.10 Estimated Distribution of Information Technology Requirements: 2001-2002 82
III.11 Integrated Systems Project Expenditure and Budget 83

Figures:
C. Support Budget (PS/MA) by Chapter of Expenditure, 2002 84
D. Support Posts (PS/MA) by Category and Location, 2002 85

ANNEXES 86-142

1. Follow-up to ACABQ Observations 86-88
2. Indicative Number of Refugees and Others of Concern to UNHCR, end-2000 89-92
3. UNHCR Headquarters Structure 93
4. UNHCR's Experience with the Unified Budget 94-101
5. Actions 1, 2, 3 102-129
6. Proposals for Budget Structure 130-132
7. Executive Committee Decision on Budget Structure Proposals 133
8. Decision on Guiding Principles Applicable to the Resourcing of UNHCR's Unified Budget (Extract) 134-135
9. Draft Decision on the Guidelines in relation to Supplementary Activities 136-137
10. Operational Reserve (Extract) 138-139
11. Working Capital and Guarantee Fund (Extract) 140-141
12. Definitions 142

ABBREVIATIONS AND ACRONYMS

AB	Annual Budget
ACABQ	Advisory Committee on Administrative and Budgetary Questions
ACC	Administrative Committee on Coordination
APB	Appointments and Postings Board
ARC	Action for the Rights of Children
CASWANAME	Bureau for Central Asia, South West Asia, North Africa and the Middle East Region
CBT	Computer Based Training
CDR	Centre for Documentation and Research
CIS	Commonwealth of Independent States
CMS	Career Management System
COM	Corporate Operating Model
COP	Country Operations Plan
CRC	Convention on the Rights of the Child
DAFI	Albert Einstein German Academic Refugee Initiative
DCI	Division of Communication and Information
DIP	Department of International Protection
DOS	Division of Operational Support
DRM	Division of Resource Management
DRC	Danish Refugee Council
DRRM	Donor Relations and Resource Mobilisation Service
ECOSOC	Economic and Social Council
EDMS	Electronic Document Management System
EMTP	Emergency Management Training Programme
EPAU	Evaluation and Policy Analysis Unit
EPRO	Emergency Preparedness and Response Officer
EPRS	Emergency Preparedness and Response Section
ERISS	Electronic Resettlement Information and Submissions System
ERP	Enterprise Resource Planning
ESS	Emergency and Security Service
ERT	Emergency Response Team
EU	European Union
FBARS	Field-Based Refugee Registration System
FOM	Field Office Memorandum
FMIS	Financial and Management Information System
FSA	Field Safety Advisor
FSS	Field Safety Section
GIS	Geographical Information System
HCDS	Health and Community Development Section
HQ	Headquarters
HRS	Human Resources Service
IASC	Inter-Agency Standing Committee
ICC	International Computing Centre
ICRC	International Committee of the Red Cross
ICSC	International Civil Service Commission
IDPs	Internally Displaced Persons
IFRC	International Federation of Red Cross and Red Crescent Societies
IMIS	Integrated Management Information System
IOM	International Organization for Migration
ISP	Integrated Systems Project
ISCA	International Save the Children Alliance
IT	Information Technology
ITTS	Information Technology and Telecommunications Service
JPOs	Junior Professional Officers

KIMS	Knowledge and Information Management System
LAN	Local Area Network
MA	Management and Administration
MINDER	Management of Inventory Database and Equipment Repair
MIP	Medical Insurance Programme
MOSS	Minimum Operating Standard for Security
MOU	Memorandum of Understanding
NFI	Non-Food-Items
NGOs	Non-governmental Organizations
NRC	Norwegian Refugee Council
OAU	Organization of African Unity
OCHA	Office for the Coordination of Humanitarian Affairs
OMS	Operations Management System
OMLP	Operations Management Learning Programme
ORB	Operations Review Board
PAR	Performance Appraisal Report
PARINAC	Partnership in Action
PCOS	Programme Coordination and Operations Support Section
PGDS	Population and Geographic Data Section
PPMS	Protection and Programme Management System
POP	People-Oriented Planning
PS	Programme Support
PSPA	Private Sector and Public Affairs Service
RB	Regular Budget (United Nations)
RIMS	Records and Information Management System
RSD	Refugee Status Determination
RLSS	Reintegration and Local Settlement Section
SB	Supplementary Budget
SC	Supply Chain
SEO	South-Eastern Europe Operation
SMC	Senior Management Committee
SP	Special Programmes
UN	United Nations
UNCSD	United Nations Common Supply Database
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNICC	United Nations International Computing Centre
UNICEF	United Nations Children's Fund
UNOG	United Nations Office at Geneva
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNSECOORD	United Nations Security Coordinator's Office
UNSPSC	Universal Standard Products and Services Classification Code
UNV	United Nations Volunteer
WB	The World Bank
WFP	World Food Programme

INTRODUCTION

I. STRUCTURE OF DOCUMENT

1. UNHCR's *Annual Programme Budget for 2002* presents consolidated budgetary requirements, but in a format that is slightly different to that of 2001. The changes, in response to the recommendations of the ACABQ (A/AC.96/932/Add.1, para. 4), mainly affect Part II. The cut-off date for the budgetary information is 1 July 2001, unless otherwise stated. Other relevant information can be found in the *Global Report 2000: Achievements and Impact;* the *2001 Mid-Year Progress Report* and, in due course, in the *Global Appeal 2002*.

2. Part I of this document gives an overview of global budgetary requirements for 2002 for programmes (P), programme support (PS), and management and administration (MA). A draft decision on administrative, financial and programme matters for consideration by the Executive Committee is included at the end of Part I (para. 25). Part II focuses on programmes at country, regional and global levels, and also discusses a range of cross-cutting programme issues. Budgetary information on all country programmes is provided in tabular form (Table II.7). Part III presents the support budget.

3. The document has 12 annexes (as listed in the Table of Contents) containing supporting information and explanations which will be referred to whenever relevant in the narrative text.

II. CONTEXT OF BUDGET PRESENTATION

4. Soon after taking office, the new High Commissioner launched a comprehensive review of UNHCR designed to give a more strategic orientation to the Office as it faces the new century, and to find means to address the ongoing financial difficulties that confront the Office. It was built around three Actions:

- **Action 1** focused on defining the core activities of UNHCR, especially the centrality of its protection function. It also examined UNHCR's assistance and emergency capacity, and the role of UNHCR staff in carrying out its mission, with a re-emphasis on coordination with other actors, including the need to build new operational partnerships.

- **Action 2** looked at the more immediate concerns of the Office arising from a shortfall in resources, and sought ways to make savings, based on the priorities established in Action 1. It recommended how UNHCR could best operate within the projected income for 2001 and 2002.

- **Action 3** looked at fund-raising in the broadest sense, including the importance of establishing adequate funding mechanisms that would correspond to the needs of a global multilateral organization. It reviewed resourcing by traditional donors, and their further potential, as well as that of other donors. Partnerships for undertaking activities of direct or indirect concern to UNHCR were also considered, and the final part of the review made proposals for addressing the immediate problems of funding the Office's programmes in 2001 and 2002.

5. The results of this review were shared with the members of the Executive Committee in a letter from the High Commissioner to the Chairman of the Committee on 4 April 2001; a further update was sent to the Chairman of the Executive Committee on 31 May 2001 (see Annex 5). The High Commissioner also gave an update on developments in regard to the review at the 21st meeting of the Standing Committee (25-27 June 2001). The outcomes of Actions 1, 2 and 3 provide the framework for this budget presentation for 2002 and the revised budget for 2001.

6. Further reference is made both to this review and to the vision of the new High Commissioner for UNHCR, especially under the sections dealing with empowerment of refugees (paras 54-57); building linkages between humanitarian assistance and development (paras 58-60); resources (paras 96-110); promoting partnerships (paras 111-117); staff security (paras 143-154); and posts levels (paras 20-22). The recommendations of the *Report of the Board of Auditors to the General Assembly on the Accounts of the Voluntary Funds Administered by the United Nations High Commissioner for Refugees for the Period Ended December 2000* (A/AC.96/949) are mentioned in relevant sections, and a fuller response to these recommendations can be found in document A/AC.96/949/Add.1: *Measures Taken or Proposed in Response to the Recommendations of the Report of the Board of Auditors*. In addition to this, a number of steps taken by the Executive Office to address some of the anticipated findings of the Report are referred to in the relevant sections: quality of programmes being implemented (paras 62-65 and 111-117); and information technology, including the Integrated System Project (ISP)(paras 160-172).

7. The three Actions are inter-linked and support each other. The follow-up to these Actions, as well as to the different oversight reports, aims at improving the quality of UNHCR programmes and enhancing the organization's capacity to carry out the mandate which it has been given by the international community.

PART I

OVERVIEW

I. INTRODUCTION

8. This section gives a brief overview of the work of UNHCR, its principal challenges and the main features of the Annual Programme Budget for 2002. The proposed draft of the relevant Executive Committee Decision on Administrative, Financial and Programme Matters is found in paragraph 25. This includes the revised Annual Programme Budget for 2001 and the initial projections for 2002.

II. ROLE OF UNHCR

9. The Mandate of the Office of the United Nations High Commissioner for Refugees is described in paragraphs 27-28. This document will also refer to the directions that the new High Commissioner wishes to give to the Office including those outlined in his recent presentation of UNHCR's Annual Report to the 2001 Substantive Session of the Economic and Social Council (ECOSOC).

III. REFUGEES AND OTHERS OF CONCERN TO UNHCR

10. At the end of 2000, there were some 21.8 million persons of concern to UNHCR; the comparable figures for 1999 and 1998 were some 22.3 million and 21.5 million respectively. Annex 2 provides information on refugee statistics, as of 31 December 2000, based mainly on figures provided by governments using their own records and methods of estimation. There is also an analysis of statistical trends (paras 34-35). In response to a request of the ACABQ in its last Report (A/AC.96/932/Add.1, para. 5), the statistics are broken down by regions, as reflected in the relevant budgetary tables.

IV. OVERALL PROGRAMME NEEDS

A. Budget Parameters

11. In preparing the support budget at Headquarters for the year 2002, an exchange rate of 1 US $ = 1.60 Swiss franc has been used. The vacancy factor for Professional posts is 10 per cent and 5 per cent for General Service posts. UNHCR's current central budgeting system for the Programme Support and Management and Administration components of the budget allows UNHCR to change the parameters for exchange rates, salary scales, post-adjustment multipliers, common staff-cost percentages and vacancy factors; but it can only show the total effect of the changes to these parameters. It is not possible to separate, for example, the effect of changes in exchange rates from the effect of new vacancy factors. In the current system, it is also not possible to build a specific inflation rate into the budget estimates.

B. 2000 Expenditure

12. Total expenditure in 2000 amounted to $ 801.4 million, of which $ 707.6 million was under the Annual Programme Budget, $ 67.2 million was for Supplementary Programmes initiated in the course of the programme year, after the approval of the 2000 Annual Programme Budget, and the remaining $ 26.6 million relates to costs met through contributions from the UN Regular Budget and provisions for Junior Professional Officers (JPOs) (Table I.1).

C. Revised 2001 Budget

13. At its fifty-first session in October 2000, the Executive Committee approved an Annual Programme Budget of $ 872.4 million (excluding the United Nations Regular Budget contribution of $ 19.1 million and the provisions for Junior Professional Officers of $ 7 million). The Annual Programme Budget included an Operational Reserve of $ 79.3 million, which represented 10 per cent of the programmed activities. The revised Annual Programme Budget for 2001 (see paras 90-94 and Tables I.1 and II.1) amounts to $ 782.1 million; however, with further increases under Supplementary Programmes, most recently arising from the situation in The former Yugoslav Republic of Macedonia, the total 2001 revised needs amount to $ 874.4 million.

D. Supplementary Programmes: 2001

14. Supplementary activities are defined in UNHCR's Financial Rules as: "those activities that arise after the approval of the Annual Programme Budget and before the approval of the next Annual Programme Budget, and which cannot be fully met from the Operational Reserve. They will be funded through contributions in reply to special appeals." (A/AC.96/503/Rev.7, Art.1.6(g)). Table II.2 lists those programmes being undertaken in 2001. In its observations on the 1998 budgetary document (A/AC.96/900, Add. 3 and 4), the ACABQ recommended that the Executive Committee should provide policy guidelines to assist the High Commissioner when accepting supplementary activities. It reiterated this recommendation in its informal consideration of UNHCR's recent proposals (see Annex 4) in relation to the unified budget structure (Letter of 7 June 2001 from the Chairman of the ACABQ to the High Commissioner). Annex 9 provides a draft of these Guidelines.

E. Initial Projections for 2002

15. The Annual Programme Budget proposed for 2002 (para. 95 and Tables I.1 and II.1) amounts to $ 801,683,000, including an Operational Reserve of $ 72,880,300 (representing 10 per cent of programmed activities). Taking into account the United Nations Regular Budget contribution of $ 19,891,000 and provisions for Junior Professional Officers ($ 7 million), total requirements in 2002 amount to $ 828,574,000. The related draft decision on this revised budget is found at paragraph 25(b).

V. OPERATIONAL RESERVE

16. UNHCR has an Operational Reserve which is a budget appropriation under the Annual Programme Budget set at 10 per cent of programmed activities; it is not a funded reserve (see next paragraph on the Working Capital and Guarantee Fund). As part of Action 2, the working level of the Operational Reserve, which had been established at $ 79.3 million, was reduced by some $ 8.2 million to $ 71.1 million, corresponding to 10 per cent of the reduction in programmed activities. Table II.3 shows the transfers from the 2001 Operational Reserve, with an unallocated balance of $ 48.5 million as at 30 June 2001. The Financial Rules governing the use of the Operational Reserve are attached at Annex 10.

VI. WORKING CAPITAL AND GUARANTEE FUND

17. This Fund (unlike the Operational Reserve) is funded at $ 50 million. Its purposes are described in Annex 11. In late 2000, UNHCR utilized this

Fund, in accordance with article 6.4 (f) of its Financial Rules, to cover a temporary shortfall, pending the receipt of anticipated contributions. An amount of $ 40 million was used towards covering interim funding needs at the end of November 2000; this was reimbursed in December 2000.

VII. SPECIAL OPERATIONS

18. As a result of Action 1 (see Annex 5), UNHCR was able to identify and classify a number of activities as non-core, which are referred to as Special Operations. Table II.4 provides a list of 2002 Special Operations; these are included under the Annual Programme Budget. A number of proposals on UNHCR's budget structure (Annex 6) have been put before the Executive Committee. Submitted informally to the ACABQ in June 2001, they will be reconsidered at the Fall meeting with the ACABQ. One proposal is that non-core activities (see para. 3(i) of document at Annex 6) included in the Annual Programme Budget would not have access to unearmarked contributions (idem. 3(vi)).

VIII. RESOURCES

19. All contributions to UNHCR are voluntary, with the exception of a United Nations Regular Budget contribution (paras 105-108) which amounts to some 2 per cent of UNHCR's resources. The principal donors to UNHCR in 2000 can be found in Table II.5. Table II.6 shows contributions from the private sector. Countries hosting refugees also make an important contribution to the work of UNHCR. One of the principal concerns of the new High Commissioner has been to establish a sound and predictable resource base for UNHCR (paras 53, 97-98 and 104). A summary of resources available to UNHCR for programmed activities in 2000-2001 can be found in Table I.2. Figure A shows the estimated use of resources in 2002 under both the programme budget and the support budget.

IX. OVERALL POST LEVELS

20. Table I.3 provides an overview of UNHCR post levels for 2001-2002, while Figure B shows the distribution of the various types of posts (Programme, Programme Support, Management and Administration).

21. Further information on posts can be found in Part II of this document. The levels of programme posts are indicated by region in Table I.3 and by country in Table II.7. Table II.7 also gives information on Programme Support posts related to country, regional and global programmes. In Part III (Tables III. 4, 5, 6 and Figure D), there is further information on support posts (Programme Support; Management and Administration). The distribution of UN Regular Budget posts is presented in Table III.6.

22. The initial projection for 1 January 2002 is for 4,400 posts, of which 685 (or 16 per cent) are at Headquarters and 3,715 in the Field or related to Global Programmes. On 1 January 2001, the total number of UNHCR posts stood at 4,827. The projected figures partially reflect the result of Action 2, whereby some 760 posts are to be discontinued during 2001 and up to mid-2002. Efforts to strengthen staffing in certain key operations, however, have already offset these reductions to some extent; however, it is expected that the net decrease will exceed 10 percent of the January 2001 post levels.

X. SUPPORT BUDGET

23. UNHCR's Support Budget for 2002 covering estimates for Programme Support (both Field and Headquarters), and Management and Administration (Headquarters), is detailed in Part III. A summary of this budget is found in Table I.1 ; it shows that total Programme Support for 2002 is estimated at $ 184,297,700, or 23 per cent of the total estimate. Anticipated costs for Management and Administration in the proposed 2002 budget amount to $ 57.2 million (Tables III.1 and III.2); this includes provision for a contribution of $ 19.9 million from the United Nations Regular Budget (Table I.1).

XI. OTHER ISSUES

24. Other issues of relevance, including those arising from Actions 1, 2 and 3, and from observations of the ACABQ, are:

- Full resourcing of the 2002 proposed Annual Programme Budget (paras 53, 97-98 and 104);
- Placing emphasis on using refugee potential and promoting greater self-reliance (paras 54-60);
- Monitoring and improving UNHCR's programmes (paras 62-65);
- Strategic drive to increase and improve the quality of partnerships (paras 111-117);
- Implications of results from Action 1 for the budget presentation and resourcing (para. 75 and Annex 6);
- Draft Guidelines in relation to Supplementary Activities (paras 81-89 and Annex 9);
- Initiatives to improve staff security (paras 143-154).

XII. DRAFT GENERAL DECISION ON ADMINISTRATIVE, FINANCIAL AND PROGRAMME MATTERS

25. *The Executive Committee,*

(a) *Confirms* that the activities proposed under the Annual Programme Budget for the year 2002 as set out in document A/AC.96/950 have been found, on review, to be consistent with the Statute of the Office of the High Commissioner (General Assembly Resolution 428 (V)), the High Commissioner's "Good Offices" functions as recognized, promoted or requested by the General Assembly, the Security Council, or the Secretary-General, and the relevant provisions of the *Financial Rules for Voluntary Funds Administered by the High Commissioner for Refugees*;

(b) *Approves* the programmes and budgets for Regional Programmes, Global Programmes and Headquarters under the 2002 Annual Programme Budget amounting to $ 801,683,000, including an Operational Reserve of $ 72,880,300 (representing 10 per cent of programmed activities), all of which are detailed in the Table II.1 ; which together with the United Nations Regular Budget contribution of $ 19,891,000 and provisions for Junior Professional Officers ($ 7 million) bring total requirements in 2002 to $ 828,574,000; and *authorizes* the High Commissioner within this total appropriation, to effect adjustments in Regional Programmes, Global Programmes and the Headquarters budgets;

(c) *Approves* the revised Annual Programme Budget for the year 2001 amounting to $ 782,111,600, which together with the United Nations Regular Budget contribution of $ 19,178,800 and provisions for Junior Professional Officers of $ 7 million as well as the needs under Supplementary Programmes in 2001 of $ 66,119,400, bring total requirements in 2001 to $ 874,409,800 (Table II.1, p.42);

(d) *Notes* the *Report of the Board of Auditors to the General Assembly on the Accounts of the Voluntary Funds administered by the United Nations High Commissioner for Refugees for the year ended 31 December 2000* (A/AC.96/949), and the High Commissioner's *Follow-up Actions to the Board of Auditors Report* (A/AC.96/949/Add.1); as well as the *Report of the ACABQ on UNHCR's Annual Programme Budget for the year 2002* (A/AC.96/950/Add.1), the *Report of the High Commissioner on the work of UNHCR's Inspection Activities* (A/AC.96/946)*and the Report on UNHCR's Evaluation Activities* (A/AC.96/947), and requests to be kept regularly informed on the measures taken to address the recommendations and the observations raised in these various oversight documents;

(e) *Requests* the High Commissioner, within the resources available, to respond flexibly and efficiently to the needs currently indicated under the Annual Programme Budget for the year 2002, and *authorizes* him, in the case of additional new emergency needs that cannot be met fully from the Operational Reserve, to create Supplementary Programmes and issue Special Appeals;

(f) *Urges* Member States, in the light of the extensive needs to be addressed by the Office of the High Commissioner, to respond generously and in a spirit of solidarity, and in a timely manner, to his appeal for resources to meet in full the approved 2002 Annual Programme Budget; and to explore future ways to ensure that the Office is resourced in a better and more predictable manner.

Table I.1 - UNHCR PROGRAMME EXPENDITURE IN 2000 AND PROJECTIONS FOR 2001 - 2002

In thousands of US Dollars

By Region and Headquarters	2000 Expenditure				2001 Revised				2002 Initial	
	Annual Budget	Supplementary Budget	Total	%	Annual Budget	Supplementary Budget	Total	%	Estimates	%
1 - WEST AND CENTRAL AFRICA										
A Programmes	51,662.2	9,517.2	61,179.4		52,671.9	17,591.6	70,263.5		51,273.4	
B Support	14,573.8	354.2	14,928.0		15,772.8	1,398.7	17,171.5		14,617.9	
Total West & Central Africa	*66,236.0*	*9,871.4*	*76,107.4*	*9%*	*68,444.7*	*18,990.3*	*87,435.0*	*10%*	*65,891.3*	*8%*
2 - THE GREAT LAKES, EAST & HORN OF AFRICA			-				-			
A Programmes	133,797.8	10,227.5	144,025.3		144,163.9	22,324.1	166,488.0		162,058.8	
B Support	27,922.5	721.7	28,644.2		27,326.7	641.8	27,968.5		27,027.6	
Total Great Lakes, East & Horn of Africa	*161,720.3*	*10,949.2*	*172,669.5*	*22%*	*171,490.6*	*22,965.9*	*194,456.5*	*22%*	*189,086.4*	*23%*
3 - SOUTHERN AFRICA			-				-			
A Programmes	21,188.4	2,989.7	24,178.1		24,367.2	4,933.6	29,300.8		31,292.4	
B Support	7,490.1	522.9	8,013.0		7,916.3	493.6	8,409.9		8,413.1	
Total Southern Africa	*28,678.5*	*3,512.6*	*32,191.1*	*4%*	*32,283.5*	*5,427.2*	*37,710.7*	*4%*	*39,705.5*	*5%*
							-			
A. Programmes	**206,648.4**	**22,734.4**	**229,382.8**		**221,203.0**	**44,849.3**	**266,052.3**		**244,624.6**	
B. Support	**49,986.4**	**1,598.8**	**51,585.2**		**51,015.8**	**2,534.1**	**53,549.9**		**50,058.6**	
Subtotal 1 - 3	**256,634.8**	**24,333.2**	**280,968.0**		**272,218.8**	**47,383.4**	*319,602.2*		**294,683.2**	
4 - CENTRAL ASIA, SOUTH WEST ASIA, NORTH AFRICA & THE MIDDLE EAST							-			
A Programmes	55,153.7	47.4	55,201.1		61,949.2		61,949.2		74,671.7	
B Support	15,634.5		15,634.5		16,414.9		16,414.9		15,631.6	
Total Central Asia, South West Asia, North Africa & the Middle East	*70,788.2*	*47.4*	*70,835.6*	*9%*	*78,364.1*	-	78,364.1	*9%*	*90,303.3*	*11%*
5 - ASIA AND THE PACIFIC			-				-			
A Programmes	33,751.2	23,894.1	57,645.3		38,482.5		38,482.5		29,200.0	
B Support	10,329.4	5,422.9	15,752.3		15,860.0		15,860.0		10,549.3	
Total Asia and the Pacific	*44,080.6*	*29,317.0*	*73,397.6*	*9%*	*54,342.5*	-	54,342.5	*6%*	*39,749.3*	*5%*
6 - EUROPE							-			
A Programmes	40,483.7	13,122.6	53,606.3		46,731.7		46,731.7		39,482.4	
B Support	18,214.2	134.5	18,348.7		18,181.4		18,181.4		18,995.3	
Total Europe	*58,697.9*	*13,257.1*	*71,955.0*	*9%*	*64,913.1*	-	64,913.1	*7%*	*58,477.7*	*7%*
7 - SOUTH-EASTERN EUROPE							-			
A Programmes	137,649.5		137,649.5		100,124.5	16,996.5	117,121.0		78,335.5	
B Support	14,118.0		14,118.0		12,492.9	522.0	13,014.9		9,796.3	
Total South-Eastern Europe	*151,767.5*	-	*151,767.5*	*19%*	*112,617.4*	*17,518.5*	130,135.9	*15%*	*88,131.8*	*11%*

Table I.1 - UNHCR PROGRAMME EXPENDITURE IN 2000 AND PROJECTIONS FOR 2001 - 2002

In thousands of US Dollars

By Region and Headquarters	2000 Expenditure				2001 Revised				2002 Initial	
	Annual Budget	Supplementary Budget	Total	%	Annual Budget	Supplementary Budget	Total	%	Estimates	%
A. Programmes	178,133.2	13,122.6	191,255.8		146,856.2	16,996.5	163,852.7		117,817.9	
B. Support	32,332.2	134.5	32,466.7		30,674.3	522.0	31,196.3		28,791.6	
Subtotal 6 - 7	210,465.4	13,257.1	223,722.5		177,530.5	17,518.5	195,049.0		146,609.5	
8 - THE AMERICAS			-				-			
A. Programmes	14,593.2		14,593.2		13,987.3		13,987.3		14,115.0	
B. Support	8,544.6		8,544.6		8,530.8		8,530.8		8,755.9	
Total The Americas	*23,137.8*	-	*23,137.8*	*3%*	*22,518.1*	-	22,518.1	*3%*	*22,870.9*	*3%*
9 - GLOBAL PROGRAMMES			-				-			
A. Programmes	13,287.1		13,287.1		24,900.8	722.7	25,623.5		26,759.3	
B. Support	20,961.4		20,961.4		28,937.1		28,937.1		36,394.9	
Total Global Programmes	*34,248.5*	-	*34,248.5*	*4%*	*53,837.9*	*722.7*	54,560.6	*6%*	*63,154.2*	*8%*
10 - PROGRAMME SUPPORT AT HEADQUARTERS			-				-			
A. Bureaux and Liaison Units	15,073.5	251.0	15,324.5		14,849.0	72.8	14,921.8		14,248.6	
B. Others	18,173.3		18,173.3		20,437.0	422.0	20,859.0		19,867.2	
Total Programme Support at Headquarters	*33,246.8*	*251.0*	*33,497.8*	*4%*	*35,286.0*	*494.8*	35,780.8	*4%*	*34,115.8*	*4%*
TOTAL UNHCR			-				-			
A. Programmes (1 - 9)	501,566.8	59,798.5	561,365.3	70%	507,379.0	62,568.5	569,947.5	*65%*	507,188.5	*61%*
B. Support (1 - 10)			-				-			
. Field Offices (including Global Programmes)	137,788.5	7,156.2	144,944.7	18%	151,432.9	3,056.1	154,489.0	*18%*	150,181.9	*18%*
. Headquarters	33,246.8	251.0	33,497.8	4%	35,286.0	494.8	35,780.8	*4%*	34,115.8	*4%*
Subtotal B. Support	171,035.3	7,407.2	178,442.5	22%	186,718.9	3,550.9	190,269.8	22%	184,297.7	22%
C. Operational Reserve			-		48,489.9		48,489.9	6%	72,880.3	9%
Total Programmes and Support (A - C)	672,602.1	67,205.7	739,807.8	92%	742,587.8	66,119.4	808,707.2	92%	764,366.5	92%
11 - MANAGEMENT & ADMINISTRATION 1/	34,952.9		34,952.9	4%	39,523.8		39,523.8	5%	37,316.5	5%
TOTAL (1 - 11)	707,555.0	67,205.7	774,760.7	97%	782,111.6	66,119.4	848,231.0	97%	801,683.0	97%
12 - UN Regular Budget			19,596.4	2%			19,178.8	2%	19,891.0	2%
13 - Junior Professional Officers			7,070.1	1%			7,000.0	1%	7,000.0	1%
GRAND TOTAL UNHCR (1 - 13)	**707,555.0**	**67,205.7**	**801,427.2**	**100%**	**782,111.6**	**66,119.4**	**874,409.8**	**100%**	**828,574.0**	**100%**

Note on 2000 expenditure :

. UNHCR Financial Statements do not include UN Regular Budget expenditure amounting to $ 19,596,400

. Table I.1 does not include : $ 1,115,738 corresponding to the Medical Insurance Plan expenditure ; $ 938,932 corresponding to the Working Capital & Guarantee Fund expenditure

1/ does not include UN Regular Budget

Table I.2 - RESOURCES FOR PROGRAMMED ACTIVITIES 2000 - 2001

as at 1 July 2001

In thousands of US Dollars

Resources available	2000						2001					
	Annual Budget		Supplementary Budget		TOTAL 1/		Annual budget		Supplementary budget		TOTAL	
	Amount	%	Amount	%	Amount	%	Amount 2/	%	Amount	%	Amount	%
Carry-over from previous years 2/	75,295.2	9.9%	11,940.9	16.0%	87,236.1	10.0%	54,628.7	7.5%	6,237.6	11.1%	60,866.3	7.5%
Junior Professional Officers					6,522.0	0.8%					6,847.3	0.8%
Total carry-over	**75,295.2**	**9.9%**	**11,940.9**	**16.0%**	**93,758.1**	**10.8%**	**54,628.7**	**7.5%**	**6,237.6**	**11.1%**	**67,713.6**	**8.3%**
Income												
Contributions	625,980.3	82.2%	57,027.1	76.6%	683,007.4	78.6%	644,000.0	88.9%	45,900.0	81.9%	689,900.0	85.0%
Private Sector contributions	14,191.1	1.9%	836.6	1.1%	15,027.7	1.7%	15,000.0	2.1%			15,000.0	1.8%
Junior Professional Officers contributions					7,271.9	0.8%					4,300.0	0.5%
Subtotal Contributions	***640,171.4***		***57,863.7***		***705,307.0***		***659,000.0***		***45,900.0***		***709,200.0***	
Other income	45,701.0	6.0%	4,654.8	6.3%	50,355.8	5.8%	11,100.0	1.5%	3,900.0	7.0%	15,000.0	1.8%
Other income JPOs					123.5	0.0%					100.0	
UN Regular Budget					19,596.4	2.3%					19,178.8	2.4%
TOTAL RESOURCES AVAILABLE	**761,167.6**	**100.0%**	**74,459.4**	**100.0%**	**869,140.8**	**100%**	**724,728.7**	**100%**	**56,037.6**	**100%**	**811,192.4**	**100%**
	Use of resources - 2000 programmes and support activities						Use of resources - 2001 programmes and support activities					
A - Operations	501,566.8	70.9%	59,798.5	89.0%	561,365.3	70.0%	507,379.0	64.9%	62,568.5	94.6%	569,947.5	65.2%
B - Programme Support												
Field offices (incl Global Programmes)	137,788.5	19.5%	7,156.2	10.6%	144,944.7	18.1%	151,432.9	19.4%	3,056.1	4.6%	154,489.0	17.7%
Headquarters	33,246.8	4.7%	251.0	0.4%	33,497.8	4.2%	35,286.0	4.5%	494.8	0.8%	35,780.8	4.1%
Subtotal Programme Support	**171,035.3**	**24.2%**	**7,407.2**	**11.0%**	**178,442.5**	**22.3%**	***186,718.9***	***23.9%***	***3,550.9***	***5.4%***	***190,269.8***	***21.8%***
C - Operational Reserve							48,489.9	6.2%			48,489.9	5.6%
D - Management & Administration	34,952.9	4.9%			34,952.9	4.4%	39,523.8	5.0%			39,523.8	4.5%
E - Regular Budget					19,596.4	2.4%					19,178.8	2.2%
F - Junior Professional Officers					7,070.1	0.9%					7,000.0	0.8%
TOTAL	707,555.0	100%	67,205.7	100%	801,427.2	100%	782,111.6	100%	66,119.4	100%	874,409.8	100%
Projected Surplus (Shortfalls) 3/	53,612.6		7,253.7		67,713.6		(57,382.9)		(10,081.8)		(63,217.4)	

1/ Income and expenditure for the Medical Insurance Plan and Working Capital & Guarantee Fund are not included in the above figures

2/ The carry-over under the Annual Programme Budget includes a loan from the Working Capital & Guarantee Fund of $ 7,578.9 reimbursed during 2000

3/ Surplus under 2000 Supplementary Budget of $ 770.1 for Timor Operation and $ 245.9 for Northern Caucasus have been included in Annual Budget carry-over for 2001

AVAC-99/950
Page 17

Table I.3 - ANALYSIS OF OVERALL POST LEVELS 2001, 2002 a/

Post/Workyears		Headquarters b/				Global Programmes b/				Field				Total		of which		
		P/L	GS	Total	%	P/L	GS	Total	%	P/L	GS	Total	%	Number	%	PG	PS	MA
(i) Situation as at 01/07/00	- posts c/	324	358	682	14%	12	8	20	0%	909	3,296	4,205	86%	4,907	100%	2,193	2,279	435
	- workyears	319	356	675	14%	12	8	20	0%	912	3,301	4,213	86%	4,908	100%	2,195	2,289	424
(ii) Situation as at 01/01/01	- posts (initial)	324	355	679	14%	12	8	20	0%	898	3,230	4,128	86%	4,827	100%	2,146	2,249	432
(iv) Situation as at 01/01/02 */	- posts	327	358	685	15%	25	11	36	1%	786	2,893	3,679	84%	4,400	100%	1,906	2,059	435
	- workyears	326	358	684	16%	25	11	36	1%	773	2,842	3,615	83%	4,335	100%	1,863	2,037	435

*/ located in:		Total		of which		
		Number	%	PG	PS	MA
- West & Central Africa	post	463	11%	243	220	0
	workyears	463	11%	243	220	0
- The Great Lakes, Eastern & Horn of Africa	post	1,026	23%	588	438	0
	workyears	1,024	24%	587	437	0
- Southern Africa	post	222	5%	95	127	0
	workyears	222	5%	95	127	0
- Central Asia, South-West Asia, North Africa & the Middle East	post	494	11%	226	268	0
	workyears	494	11%	226	268	0
- Asia & the Pacific	post	348	8%	172	176	0
	workyears	344	8%	170	174	0
- Europe	post	422	10%	149	273	0
	workyears	415	10%	148	267	0
- South-Eastern Europe	post	594	14%	403	191	0
	workyears	543	13%	364	179	0
- The Americas	post	110	3%	30	80	0
	workyears	110	3%	30	80	0
- Global Programmes b/	post	36	1%	0	36	0
	workyears	36	1%	0	36	0
- Headquarters b/	post	685	16%	0	250	435
	workyears	684	16%	0	249	435
Total	post	4,400	100%	1,906	2,059	435
	workyears	4,335	100%	1,863	2,037	435

GS = General Service Staff (including National Officers)
P/L = Professionals

PG = Programme
PS = Programme Support
MA = Management & Administration

a/ All posts (Professional and General Service), including those projected for less than a full year, but excluding JPOs. For distribution of MA posts funded under UN Regular Budget see table III.6.
b/ 20 posts moved from Headquarters to Global Programmes, in prior years these have been presented under one category "Headquarters and Global Operations".
c/ Does not include 240 United Nations Volunteers serving UNHCR

Figure A. USE OF TOTAL RESOURCES
2002

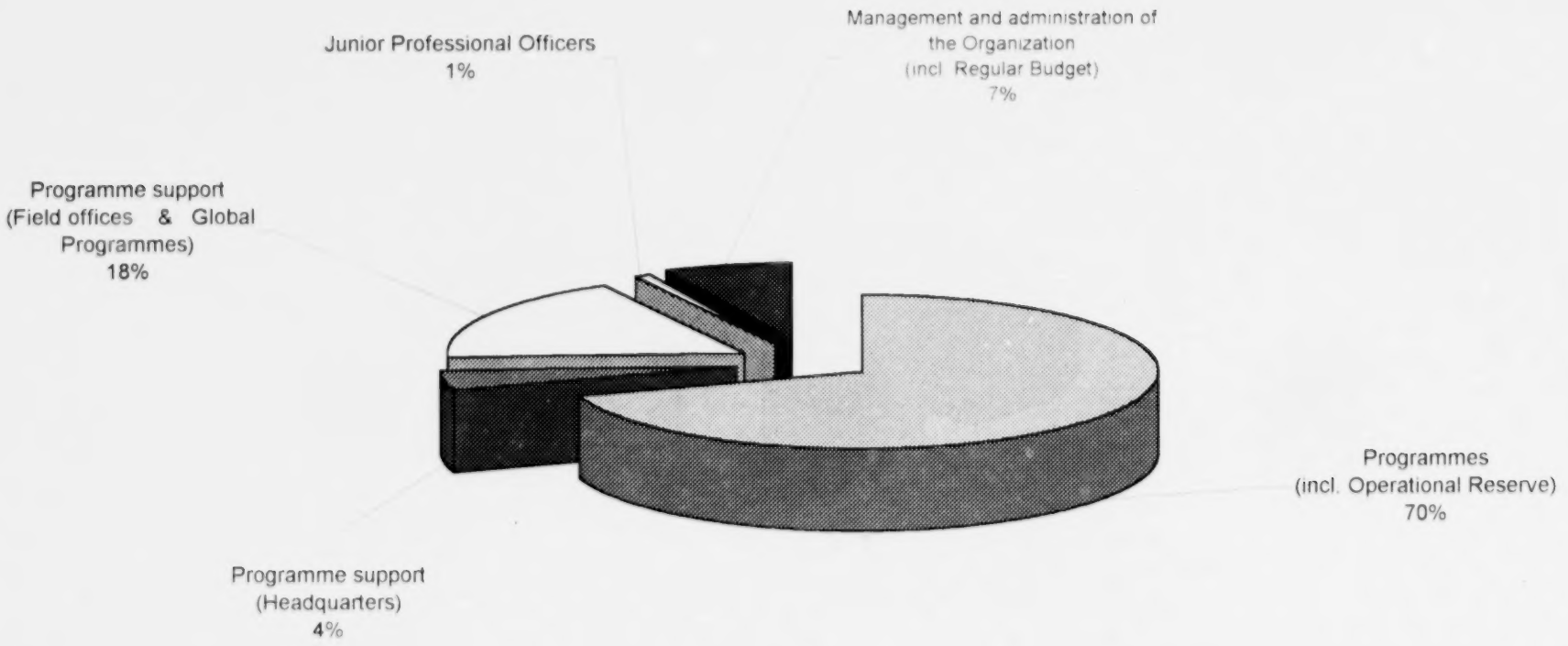
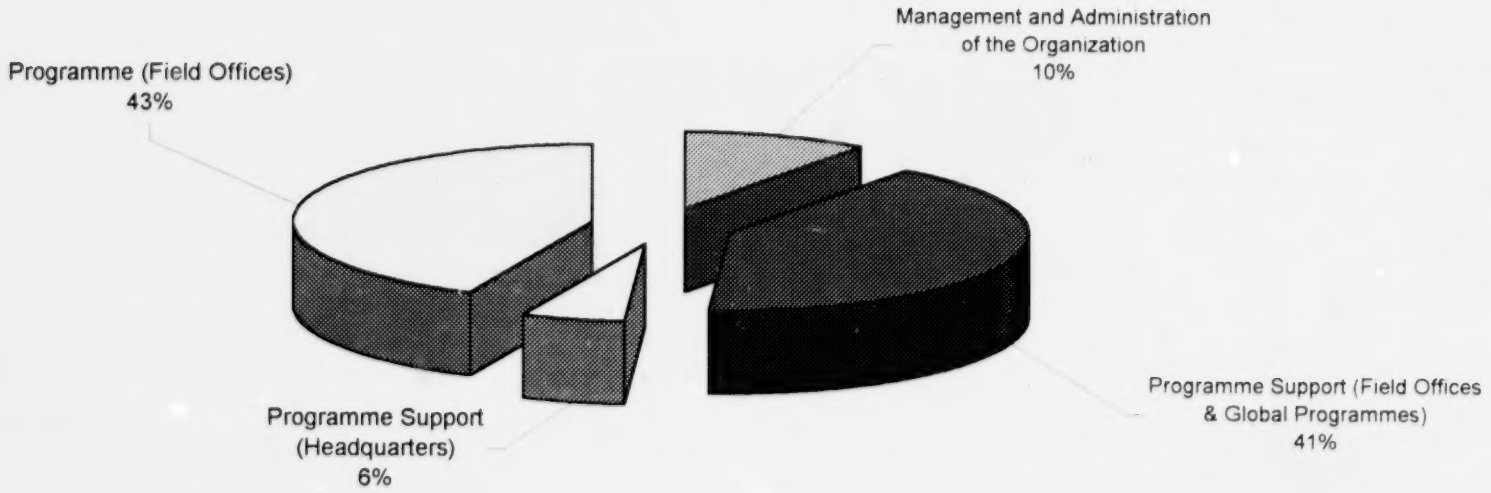


Figure B : Posts by category, 2002

(excluding Junior Professional Officers and United Nations Volunteers)


Management and Administration of the Organization 10%
Programme (Field Offices) 43%
Programme Support (Field Offices & Global Programmes) 41%
Programme Support (Headquarters) 6%

PART II

PROGRAMMES AND RELATED ISSUES

I. INTRODUCTION

26. In response to the comments of the ACABQ (A/AC.96/932/Add.1, para. 4), this section has been redesigned to address a range of cross-cutting, operational and programme issues. Table II.7 gives a breakdown of the proposed budget for each country operation, and for a number of global programme initiatives (refugee women, refugee children/adolescents, environment), generically referred to as "Global Programmes." More specific information on particular UNHCR country programmes can be found on the UNHCR website: www.unhcr.ch/cops/.

II. MANDATE OF UNHCR

27. The Office of the United Nations High Commissioner for Refugees was established on 1 January 1951 (General Assembly Resolution 319 A (IV)). The Statute of the Office sets out the mandate of UNHCR, namely to provide international protection to refugees and to seek permanent solutions to their problems (General Assembly Resolution 428 (V), art. 1). Closely linked to the discharge of this mandate to ensure international protection of refugees is the provision of humanitarian assistance to people of concern to the United Nations High Commissioner for Refugees. Assistance is but one aspect of international protection and is a means of facilitating it. As regards UNHCR's assistance activities, the basic provisions of the Statute have been expanded by General Assembly Resolution 832 (IX).

28. In addition, the General Assembly has also called upon the High Commissioner to provide assistance to returnees, as well as to monitor their safety on return (General Assembly Resolution 40/118). On the basis of specific requests from the Secretary-General or the competent principal organs of the United Nations, and with the consent of the States concerned, UNHCR provides assistance and protection to internally displaced persons (General Assembly Resolution 48/116). The Office also encourages national and international initiatives to ameliorate conditions in countries of origin, thereby enhancing the security of people who might feel compelled to seek refuge elsewhere, while always ensuring that the right to seek asylum remains intact.

III. GLOBAL CONSULTATIONS ON INTERNATIONAL PROTECTION

29. In early 2001, UNHCR launched a process of Global Consultations with States, with the close involvement, *inter alia*, of refugee protection experts, NGOs and refugees. This process aims at revitalizing the international protection regime. It discusses measures designed to ensure that international protection needs are properly recognized and met, taking due account of the legitimate concerns of States, host communities and the international community generally. It aims furthermore to promote a more consistent application of refugee instruments as well as to address current gaps in the protection practice.

30. The Global Consultations coincide with the 50th anniversary of the 1951 Convention Relating to the Status of Refugees adopted on 28 July 1951 by the United Nations Conference of Plenipotentiaries on the Status of Refugees and Stateless Persons.

31. A high point for the Global Consultations will be the first formal meeting of States Parties, organized at ministerial level jointly by the Swiss Government and UNHCR in Geneva on 12 December 2001, to mark the 50th anniversary of the Convention.

32. The overall objective of the Global Consultations and the Ministerial Meeting on 12 December is to provide States Parties with the opportunity to reaffirm their collective commitment to full and effective implementation of the 1951 Convention and the 1967 Protocol. It will also provide an opportunity for UNHCR to promote further accessions to both instruments and, where appropriate, encourage States to withdraw reservations made at the time of accession. Most importantly, the results of the Consultations will set the agenda for work in the area of international protection for the future.

33. In his address to the 2001 substantive session of the Economic and Social Council in July, the High Commissioner noted that the 50th anniversaries of UNHCR and of the Convention were not a cause for celebration. They provided an occasion for serious reflection, not on past achievements, but on the work needed to ensure the integrity and relevance of the international refugee protection regime both for today's needs and the future.

IV. REFUGEES AND OTHERS OF CONCERN TO UNHCR

34. The statistics as of 31 December 2000 provided in Annex 2, are based mainly on figures provided by governments using their own records and methods of estimation. In some cases, the statistics are derived from UNHCR-supported census operations. For industrialized countries without accurate refugee population data, UNHCR has estimated the refugee population based on recent refugee arrivals and recognition and estimates for temporary protection. The statistics presented here do not cover Palestinian refugees who come under the mandate of the United Nations Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA). UNHCR is working to further improve the collection of statistical data, including the demographic profile of refugees, through Project Profile (see related comments in the Report of the Board of Auditors (A/AC.96/949, paras 98-99).

35. At the end of 2000, there were some 21.8 million persons of concern to UNHCR; the comparable figures for 1999 and 1998 were some 22.3 million and 21.5 million respectively. Annex 2 gives more detailed refugee statistics for 2000. In response to a request of the ACABQ in its last Report (A/AC.96/932/Add.1, para 5), these statistics are broken down by regions identical to those in the relevant budgetary tables. Definitions and breakdown are as follows:

- **Refugees**: persons recognized as refugees under the 1951 Convention relating to the Status of Refugees or its 1967 Protocol; the 1969 Organization of African Unity (OAU) Convention Governing the Specific Aspects of Refugee Problems in Africa; persons granted a humanitarian status in accordance with the UNHCR Statute; and those granted temporary protection.

  Subtotal: 12,071,586 (1999: 11,675,660)

- **Returned refugees or "returnees"**: refugees who have returned to their place of origin and who remain of concern to UNHCR for a limited period after their return.

  Subtotal: 786,469 (1999: 2,509,940)

- **Asylum-seekers**: persons whose application for asylum is pending in the asylum procedure or who are otherwise registered as asylum-seekers.

  Subtotal: 914,192 (1999: 1,181,600)

- **Certain specific groups** of persons not coming within the ordinary mandate of UNHCR, but to whom the Office extends protection and/or assistance pursuant to a special request by a competent organ of the United Nations. Within this category come certain particular groups of internally displaced, including returned internally displaced, certain groups of war victims, certain nationals of the former Soviet Union whose nationality is undetermined and who have not established a national bond with any of the countries which emerged after the dissolution of the Soviet Union, etc.

  Subtotal: 8,021,448 (1999: 6,890,530)

V. GLOBAL CHALLENGES

36. In presenting UNHCR's annual report to the 2001 substantive session of the Economic and Social Council in July 2001, the High Commissioner reviewed the challenges facing the Office.

37. In Africa, the areas of particular concern remain Guinea and Sierra Leone, and the ongoing conflict in northern Liberia, particularly in Lofa County. Violence and insecurity along Guinea's border with Sierra Leone pose considerable challenges. The issues of "safe access" to refugees and "safe passage" for them are UNHCR priorities. Since early 2001, UNHCR and its partners have successfully relocated 58,000 Sierra Leonean refugees to new and more secure sites further away from the border. UNHCR, together with IOM, has also facilitated the repatriation of another 27,000 Sierra Leonean refugees by boat; others have returned spontaneously to Sierra Leone.

38. Following the fighting between Ethiopia and Eritrea last year which displaced nearly 1.5 million people, UNHCR is working with the Governments of Eritrea and Sudan to facilitate the voluntary repatriation of Eritrean refugees - both those who fled last year and others who left earlier. UNHCR is also involved in repatriating Somali refugees from Ethiopia to north-west Somalia - 150,000 have returned since 1997. Despite progress last year toward a political settlement in Somalia, violence and instability continue to hinder humanitarian access and block repatriation to the southern parts of the country.

39. In the Democratic Republic of the Congo, war has displaced an estimated 1.8 million people internally, and forced another 350,000 refugees to seek refuge in neighbouring countries. UNHCR welcomes the stabilization of the situation since January 2001, and, with the rest of the international

community, awaits further progress in the implementation of the Lusaka ceasefire agreement.

40. The Arusha process for Burundi continues to move forward, but many obstacles to peace remain. When conditions are right, UNHCR, with the support of the Governments of Burundi and the United Republic of Tanzania, will work towards the voluntary repatriation of the 567,000 Burundian refugees, most of whom are in Tanzania.

41. Other long-standing conflicts, however, show fewer signs of progress. The civil war in Sudan drags on endlessly - leaving some 443,000 refugees in exile and huge numbers internally displaced. Angola presents one of the continent's most acute humanitarian crisis, with an estimated 4 million displaced and war-affected people. Close to 350,000 Angolan refugees are outside of their country, mainly in Zambia and the Democratic Republic of the Congo. Last year, after the Security Council drew attention to their needs, UNHCR launched a limited assistance programme for up to 300,000 internally displaced people on the outskirts of Luanda and in two northern provinces.

42. In North Africa, in the absence of a political solution, UNHCR has maintained its preparedness for a future voluntary repatriation exercise for refugees from Western Sahara. Some 165,000 refugees remain in limbo after 25 years in exile. The Office lacks funding to meet their basic needs.

43. In South-West Asia, UNHCR faces in Afghanistan one of the largest, most complex and intractable humanitarian situations in the world today. More than twenty years after the first exodus to the Islamic Republics of Iran and Pakistan, and even after the repatriation of more than 4 million people, Afghans constitute the world's largest refugee population under the care of UNHCR. Some 700,000 people are also displaced within the country. More Afghans are on the move today, uprooted by the cumulative pressures of an endless war; the lack of respect for basic human rights, particularly for women; the most severe drought in decades; and other factors, such as the lack of ready sources of income. Acute asylum fatigue and donor fatigue compound the challenges facing the Office and others in the international community who seek to address these growing humanitarian needs. UNHCR continues to work towards strengthening protection and improving the quality of asylum in the Islamic Republics of Iran and Pakistan, while also enhancing the possibilities for voluntary repatriation.

44. In East Asia, UNHCR has completed its shelter programme in East Timor and will begin phasing down activities during the second half of 2001. After UNHCR colleagues were murdered in September 2000, West Timor has remained until recently in security Phase V, which precluded any permanent United Nations presence. Together with other parties, UNHCR is now reviewing its presence in the light of the changing security situation. The Office has facilitated a limited number of ad hoc repatriation movements, but most of the 90,000 East Timorese refugees are still in need of durable solutions. The Office is now anticipating the early return of those who have clearly indicated their wish to repatriate. UNHCR is also ready to facilitate the planning and implementation of local settlement schemes for those who freely decide to stay in Indonesia.

45. Elsewhere in Asia, UNHCR's protection and assistance activities for internally displaced people in Sri Lanka continue, with an increasing emphasis on promoting self-reliance. The Office is also pursuing its

stabilization and reintegration efforts for returnees and local residents in Myanmar's Northern Rakhine State, pending the start of the United Nations-led Basic Needs Assistance Programme. In Nepal, the Joint Verification Team fielded by the Governments of Nepal and Bhutan has begun to identify refugees eligible for return to Bhutan. UNHCR is supporting this work in practical ways, and looks forward to organizing voluntary repatriations in the future.

46. In Europe, the Balkans continue to be UNHCR's main preoccupation. The Office is closely monitoring the situation in The former Yugoslav Republic of Macedonia. By July 2001, the conflict had already displaced more than 100,000 people, including some 70,000 to neighbouring Kosovo (Federal Republic of Yugoslavia). On the other hand, the processes of democratic change in the Federal Republic of Yugoslavia and in Croatia have raised new hopes of achieving durable solutions for the 1.2 million people still displaced from their homes in these countries and in Bosnia and Herzegovina. In the Federal Republic of Yugoslavia, UNHCR anticipates that a large majority of the 700,000 refugees and displaced people are likely to stay in Serbia and not return home. National reconstruction and development programmes give priority to the integration needs of these people. However, ongoing efforts to make return a real option are also essential in order to consolidate peace in the region.

47. The return of displaced people to Kosovo is a more problematic issue. Tensions remain extremely high between ethnic Albanians and non-Albanians, particularly with the small remaining Serb community. UNHCR has to strike a balance between upholding the fundamental right of people to go home and the need to ensure their safety. As the High Commissioner stated in his ECOSOC address in July, forcing the process will serve no one's interest. Nonetheless, the Office is prepared to facilitate - and sees the political need for - limited, symbolic Serb returns to safe areas in Kosovo.

48. Elsewhere in Europe, UNHCR continues to assist refugees and displaced people from Chechnya in the Russian Federation, and is exploring the possibilities for temporary local integration, until conditions are right for safe and sustainable return.

49. While hoping for a breakthrough in the negotiations between Armenia and Azerbaijan over Nagorno-Karabakh, the Office is proceeding with temporary local integration efforts in those countries, and the handover of its activities to development agencies. In Georgia, however, deteriorating security conditions are hindering safe return and UNHCR's access to refugees and displaced people.

50. An overall objective of the Office in Europe is the development of high-quality asylum systems. UNHCR is working closely with the European Commission and the European Union Member States to support the development of a harmonized asylum system. In Central and Eastern Europe, UNHCR is encouraging the development of refugee legislation, effective institutions and, more broadly, a "culture" of respect for refugees and awareness of their need for protection.

51. In the Americas, as in Europe, UNHCR's main objective throughout the region is to strengthen the framework for refugee protection. The Office is engaged at the national level in supporting the development of legislation and relevant institutions, while at the same time working through regional bodies and forums, such as the Puebla Process. UNHCR is also striving to open

up new opportunities for durable solutions through resettlement in Chile, Brazil and other South American countries.

52. UNHCR's major concern in the Americas is the ongoing internal conflict in Colombia, which has triggered increased internal displacement and refugee movements over the past eighteen months. The arrival of Colombian asylum-seekers in North America and Europe is also on the rise. Last year, UNHCR mounted an emergency operation in the border regions of Ecuador to respond to the needs of some 12,000 Colombians, most of whom have since returned spontaneously. UNHCR's two-track strategy is to strengthen protection for Colombian refugees and asylum-seekers, while at the same time building the capacity of national institutions to care for displaced people in Colombia.

VI. PROGRAMMES

A. New Emphases

53. The inadequate resource base for addressing the challenges that UNHCR is mandated to meet, is of particular concern to the High Commissioner (see paras 96-98 and 104). Rather than continuing to debate whether UNHCR's budgets should be needs-driven or resource-driven, the High Commissioner is presenting a budget for 2002 that aims to strike a realistic balance between basic needs and likely resources. Constant budget revisions in the course of a programme year cause suffering for refugees, and disrupt operations both for UNHCR and for implementing partners. To avoid similar disruption in 2002, a concerted effort is required to resource the budget submitted to the Executive Committee for approval, and to implement other initiatives proposed by the High Commissioner. These initiatives cover a number of areas including: concerted efforts towards ensuring a more predictable funding base for UNHCR; new approaches to programming and programme management; and renewed efforts at building and nurturing partnerships.

1. Respect and Empowerment

54. The design of UNHCR's programmes should seek more specifically to build on the resources of the refugees themselves. In addressing the Humanitarian Affairs Segment of ECOSOC in July 2001, the High Commissioner noted: "Respect for refugees and their potential is needed. Disregarding refugees shows them disrespect and ignores the economic contributions that they can and often do make to their countries of refuge. Refugees are not simply the beneficiaries of humanitarian aid. They are potential contributors to development - both in their countries of asylum and upon their return home".

55. In this address, the High Commissioner also pointed out that the world of development continues to exclude refugees, leading in turn to their marginalization. Yet any dialogue on development must include refugees, not only upon return to their country of origin, but also in their countries of asylum. Rather than dismissing refugees as an issue peripheral to development, it is important to recognize their substantial productive potential. In countries where the refugee/returnee presence is significant, the productive capacities of refugees will have a direct impact on the achievement of sustainable development either in the host country or the country of return. This new approach has challenges of its own, however, especially for host governments since development programmes emphasize ownership by the recipient government. Moreover, host governments are

naturally reluctant to include refugees within development planning, and tend to view them as a humanitarian and security burden in the case of large refugee populations. While recognizing these legitimate concerns, the High Commissioner continues to argue for a broader, longer-term view, especially in relation to refugees in host countries.

56. By taking ownership of this issue, host countries could find that, instead of being a burden on local resources, refugees may be catalysts for local development, attracting both humanitarian and development resources to the communities where they live. The empowerment of refugees can thus be part of a process that benefits everybody; helping refugee communities to achieve self-reliance need not be seen as detrimental to host communities.

57. A Working Group has recently been set up in UNHCR to look at how to translate the vision of the High Commissioner into operational guidance, especially in addressing long-standing refugee or "care and maintenance" situations. This perspective also requires the establishment of new or renewed partnerships (see paras 111-117) with relevant entities, so that UNHCR will be able to discharge its mandate more effectively and cost-efficiently.

2. Linking Humanitarian Assistance and Development

58. For some time now, UNHCR has been making a concerted effort to forge stronger and more predictable partnerships with development agencies, so as to ease the transition from humanitarian assistance to long-term development. This initiative has taken on added significance with the new objective of involving development agencies more in refugee situations. The High Commissioner believes that the international community needs to rethink the relationship of refugees to development and develop a new approach to multilateral and bilateral development assistance programmes. The search for durable solutions should begin in an integrated manner from the outset of every humanitarian emergency. Convinced of the merits of this broader approach, he called on donor participants at the Third United Nations Conference on the Least Developed Countries held in Brussels, in May 2001, to allocate or "earmark" a modest, or at least proportional, share of development assistance funding for the interrelated issues of refugees, IDPs and affected local populations.

59. Recent developments in this area have included partnerships built with the Japan International Co-operation Agency (JICA) for projects in the United Republic of Tanzania; the Gesellschaft für Technische Zusammenarbeit (GTZ) with regard to initiatives in Zambia; and with UNDP in Eritrea. UNHCR continues to participate in other multilateral initiatives, such as that of the Post-conflict Engagement Group in Rwanda, co-led by Denmark and by UNDP. To facilitate better linkages between humanitarian and development actors, UNHCR, together with interested partners, has also worked to develop information management systems and procedures. The most recent example is the now operational Sierra Leone Information System, set up in cooperation with OCHA. A similar system is about to be set up by UNHCR in Eritrea. With regard to UNHCR's partnership with WFP, an agency that bridges the humanitarian and development sectors, the long-standing Memorandum of Understanding between the two organizations is currently being reviewed. Engaging development agencies in the work of UNHCR is an ongoing challenge, and it is in this context that the comments of the Board of Auditors (A/AC.96/949, paras 94-97) are receiving careful examination and follow-up.

60. Another area where humanitarian-development linkages are being pursued is that of microfinance. Since the second half of 2000, UNHCR has been drawing on the expertise of the International Labour Office (ILO) in microfinance in order to set up projects that will increase the economic autonomy of refugees. Major achievements to date include the development of a draft policy for microfinance. UNHCR, in partnership with ILO, is preparing to develop a training manual for the management and implementation of microfinance projects for conflict-affected communities. A draft should be ready by the end of 2001 and a final version by June 2002.

B. Community Development

61. At its 20th meeting, the Standing Committee adopted a Conclusion aimed at reinforcing a community development approach in addressing the needs of refugees (A/AC.96/945, Annex B). This conclusion was based on discussions which emphasized the importance of bearing in mind, when planning UNHCR activities, that:

- Refugees are the key players in any refugee situation, and should therefore be involved in the planning of services. The refugee community, represented by all groups (i.e. women, men, children, the elderly, minorities, etc.), should be actively involved in assessment, implementation, monitoring and evaluation;

- A community development approach should be applied from the very first stages of operations, whether emergency or not, and continue right into the durable solution phases, such as repatriation and reintegration.

The Standing Committee advised UNHCR to operationalize this policy approach in all of its activities, and to ensure its promotion among implementing partners. Work is progressing on this.

C. Ensuring Programme Performance

62. The need for UNHCR to improve management processes, based on better strategic planning, is a central concern of UNHCR's new administration. This point was developed by the Deputy High Commissioner in her address to the 21st Meeting of the Standing Committee in June 2001. Any such improvement needs to be grounded in a UNHCR Vision Statement, based on the Statute of the Office, UNHCR's Mission Statement (1998) and an analysis of the challenges currently facing the Office. Secondly, a Business Strategy needs to be put in place which will guide the more detailed development of a Corporate Operating Model (COM) for the design, formulation, implementation and reporting of all projects, especially in the area of information technology (see para. 162), but also to be used as a guide for other parts of the day-to-day management of the Organization. UNHCR is currently working on these elements which will constitute an important building block in a comprehensive management system.

63. In a related development, UNHCR is currently re-examining its budget and operations planning processes, including their implementation and measurement, in order to identify problems that need correction or improvement.

64. The Deputy High Commissioner has underlined the importance of UNHCR managing with a "closed loop" system in which performance goals and

objectives are set, performance measured, and then action taken regarding measurement. An overall Performance Management system needs to provide, *inter alia*, for the following:

- measurement of goals, objectives and outputs set out in Country Operations Plans (COPs);
- results of inspections undertaken by the Office of the UNHCR Inspector General;
- audit results; and
- evaluation results.

The Report of the Board of Auditors (A/AC.96/949, paras 101-105) underlines the need for better performance reporting.

65. An important component in constructing this overall Performance Management System will be the Operations Management System (OMS). Its basic objective is to support the effective planning and management of UNHCR's operations by its staff and by implementing partners using a comprehensive management framework of processes and procedures to guide the implementation of UNHCR's policies and programmes.

66. The OMS Framework, which is designed to support results-based management for UNHCR's operations, is being incorporated as a comprehensive set of procedures into the Operations Management chapter of the UNHCR Manual. These procedures put a greater emphasis on the formulation of objectives, including intended impact, for UNHCR's beneficiaries, as well as the identification of outputs and performance indicators. While this has proven to be very useful in promoting more effective and efficient management of UNHCR's operations, the development of new automated tools to link the planning framework with budgets remains necessary. This will be the next major step towards implementation of the OMS.

67. Several OMS deliverables planned for completion during 2001, are already in place. Practical guidance and training materials have been produced to assist staff members in applying the new methodological approaches, practices and procedures associated with the OMS including:

- the completion of *A Practical Guide on the Use of Objectives, Outputs and Indicators*;
- the launch of the *Operations Management Learning Programme (OMLP)*;
- the delivery of eleven training workshops and participatory strategic planning events involving more than 300 UNHCR staff, NGO partners, local government, donor and refugee representatives, as well as other United Nations agency personnel.

68. Discussions are under way with several NGO partners to compare experiences and share lessons on results-based management practices. Action taken to further establish results-based management has included the revision of procedures for annual planning, implementation and reporting; the updating of the Knowledge and Information Management System (KIMS) CD-ROM; and the introduction of simplified sub-project description formats.

69. In 2002, work will continue to consolidate progress through ensuring access to learning by means of the OMLP; facilitating strategic planning

events; updating task-based guidance; and developing closer co-operation with partners.

VII. PROGRAMME OF WORK: 2002

70. The current UNHCR programme of work for 2002 is a modified version of that set out in the United Nations Proposed Programme Budget for the Biennium 2002-2003 (A/56/6 (Sect.23)), which is based on the range of activities outlined in the Medium Term Plan 2002-2005 (A/55/6/Rev.1, para. 21.5). This programme was initially presented to, and approved by, the 17th Meeting of the Standing Committee. It is a summary presentation of the main programme trends found in UNHCR's Country Operations Plans (COPs), and reflects the particular focus of the High Commissioner in relation to planning and implementing the work of the Office in the coming period.

71. This programme of work is described in general terms and needs to be read in relation to the specific Country Operations Plans referred to in paragraph 26 of this document, and which are available for viewing on the UNHCR website.

72. The UNHCR programme of work will focus, in varying and largely unpredictable situations, on the following:

(a) the pursuit of comprehensive strategies, in cooperation with States and other organizations, aimed at both mitigating and preventing the causes of forced population displacements, as well as finding solutions to them when they occur;

(b) the ongoing development of a legal regime of international protection, in particular through the promotion of accessions to international and regional instruments relating to the status of refugees or otherwise benefiting refugees; the effective implementation of refugee rights; and the promotion and dissemination of refugee law and protection principles;

(c) the further development of contingency planning, emergency preparedness and response capabilities, in coordination with other organizations, so as to respond effectively and efficiently to situations of forced human displacement;

(d) steps to ensure that the Office and its partners respond to the needs of those of concern in a manner consistent with its approved policy on community development, thereby promoting greater self-reliance;

(e) the promotion of broad and inclusive partnerships with other entities whose goals complement those of UNHCR, so as to provide effective protection and assistance to those of concern to the Office, while supporting existing coordination mechanisms;

(f) concerted efforts to ensure that in the delivery of international protection and humanitarian assistance by the Office and its partners, gender equality will be promoted, and the particular needs and capacities of refugee women and older refugees, as well as the special needs of refugee children/adolescents will be taken into account;

(g) greater emphasis on the issue of HIV/AIDS in programmes and further strengthening of UNHCR's partnership with UNAIDS and its co-sponsors (UNDP, UNESCO, UNFPA, UNICEF, UNDCP, World Bank, WHO) at central, regional and country levels;

(h) the environmental dimension of UNHCR's activities, consistent with its approved policies and guidelines;

(i) linkages with relevant development partners to ensure that, from the outset, the assistance activities of UNHCR, and of its partners, are supportive of and reinforce development initiatives;

(j) further development, in consultation with concerned parties, of options to ensure the security and civilian and humanitarian character of refugee camps and settlements as well as security in areas of return, and to explore further concrete ways of enhancing the safety and security of UNHCR staff and other humanitarian staff working with refugees; and

(k) the systematic follow-up to relevant recommendations in the plans of action emanating from recent international conferences.

73. The proposed articulation of a UNHCR Vision Statement and Business Strategy, already mentioned, will guide the more detailed development of a Corporate Operating Model (COM); in particular, the Office will work towards establishing a sounder and more predictable resource base.

74. The resources required to carry out this programme of work are detailed in Tables II.7 and III.1.

VIII. SPECIAL OPERATIONS

75. One outcome of Action 1 was the decision to classify UNHCR activities as "core" or "non-core". This classification introduced a basic form of prioritization in UNHCR's activities, with primary focus being placed on core activities. A core activity is defined as:

"... one for which UNHCR has a central universal responsibility, as contained in its Statute and developed through subsequent General Assembly or Economic and Social Council resolutions. By nature, a core activity will have a clearly established link to the international protection of refugees (and stateless persons) or pursuit of durable solutions. A core activity includes the programme support, management and administration and related costs required to undertake it." (see Annex 5).

On the other hand, non-core activities, while of lesser priority, may have particular importance, especially when there is a question of the forced internal displacement of persons. Another instance of such activities would be development-type activities in support of durable solutions, such as voluntary repatriation. Such non-core activities are now referred to as Special Operations. Table II.4 provides a list of 2002 Special Operations included in the Annual Programme Budget. These Special Operations, which are attractive to certain donors, have normally been well funded in the past, e.g. UNHCR operations in what was then the former Yugoslavia. Non-core activities are intended to be funded through earmarked contributions. Donors have been requested to examine the possibility of providing contributions for

the Special Operations in addition to their planned contributions to core activities. The resourcing of such Special Operations is explored further in the High Commissioner's proposals in relation to the budget structure and funding mechanisms (Annex 6).

Internally Displaced Persons

76. Examples of non-core UNHCR activities are those in favour of internally displaced persons (IDPs). The responsibility to protect internally displaced persons and to find political solutions to the causes underlying their displacement, lies with the States concerned. There may be situations, however, where the States are unable or unwilling to meet their responsibilities, and the international community must respond to the humanitarian needs of IDPs, both for assistance and protection. UNHCR's role with IDPs must be set within the larger United Nations and international response to internal displacement.

77. The dimensions and complexity of the IDP phenomenon are such that the humanitarian community can only have an impact by working together and in a coordinated manner. Of late, the United Nations system has sought to strengthen its response to internal displacement on a collaborative, inter-agency basis. In 1997 the United Nations Secretary-General appointed the Emergency Relief Coordinator as the IDP Focal Point at Headquarters. In December 1999 the Inter-Agency Standing Committee adopted a Policy on Internally Displaced Persons, and shortly afterwards outlined the role of the Resident/Humanitarian Coordinator for IDPs. Following continued concern on the issue, in August 2000 a Senior Coordinator was appointed by the Emergency Relief Coordinator and an Inter-Agency Network on IDPs was set up to review the United Nations system response to IDPs. The report of the Senior Coordinator was considered by the Inter-Agency Standing Committee in March 2001, and following the approval of the Secretary-General has led to the creation of a non-operational IDP unit in OCHA to identify situations requiring a United Nations response and to mobilize support for IDP operations. UNHCR sees the role of this small unit as supporting the work of the Senior Coordinator. Non-operational by definition, it should play an important role in facilitating the division of labour within the United Nations family in dealing with specific IDP situations.

78. For its own part, UNHCR's role and responsibilities with regard to the internally displaced have evolved over the past several decades. UNHCR first issued policy guidelines on internally displaced persons in November 1993, and updated these in 1997. Subsequent developments and further analysis of its operational experience led to a comprehensive policy paper in March 2000, which defined UNHCR's interest in internally displaced persons, further developing the criteria and operational considerations for its involvement, and underlining its protection and solutions role with respect to this group of persons. This paper was shared with UNHCR's Executive Committee and received broad support. It remains the main policy document on UNHCR's role with internally displaced persons.

79. Detailed Operational Guidelines to give effect to UNHCR's policy on IDPs are currently under preparation. As UNHCR fully subscribes to the collaborative approach adopted by the United Nations system in responding to internal displacement, it is necessary to identify those situations in which it is best placed to make a contribution. Because UNHCR does not have a global mandate for internally displaced persons, each decision by the High

Commissioner to be involved must be preceded by an internal assessment as to whether:

- the internal displacement situation is relevant to UNHCR's mandate and expertise;
- the formal requirements established by United Nations General Assembly resolutions have been met;
- policy considerations warrant UNHCR's involvement;
- operational conditions are conducive to its involvement.

80. As the High Commissioner stated in a recent address to the Economic and Social Council in July 2001, UNHCR is disposed to be a partner in initiatives in support of particular IDP operations; but this would be on condition that the Office's involvement was coherent and that donors provided the necessary resources. UNHCR should, however, not be the sole or even the main actor in working with IDPs.

IX. SUPPLEMENTARY PROGRAMMES

81. In its observations on the *Overview of UNHCR Activities 1997-1999* (A/AC.96/900), the ACABQ made the following recommendation:

"The Advisory Committee recommends that the Executive Committee provide[s] policy guidelines to assist the High Commissioner when accepting additional activities. Such policy should take into account that additional supplementary activities should continue to be consistent with the Statute of UNHCR, that the activities cannot be performed by other agencies in the United Nations system or outside the system, that resources are assured and attainable and that the Office of the High Commissioner has the capacity to carry out such supplementary activities." (A/AC.96/900.Add.3 and 4).

82. Supplementary activities are defined in UNHCR's Financial Rules as:

"those activities that arise after the approval of the Annual Programme Budget and before the approval of the next Annual Programme Budget, and which cannot be fully met from the Operational Reserve. They will be funded through contributions in reply to special appeals" (A/AC.96/503/Rev.7, Art.I, 1.6 (g)).

Such new activities may concern either new caseloads or significant changes to existing caseloads since the approval of the Annual Programme Budget. There are a number of different options for addressing such contingencies, one of which is the creation of a supplementary programme.

83. The context of the recommendation of the ACABQ was the move by UNHCR to a unified budget for the year 2000, and which was first presented to the Executive Committee for approval at its Plenary Session in 1999. The concern of the ACABQ was about trends in "earmarked" or "tied" funding, and the difficulties such funding could pose for the management of a unified budget. By their nature, additional supplementary activities would represent further instances of "earmarked" funding. Moreover, these additional activities would increase, de facto, the level of the already approved budget.

84. In its report on the follow-up to the ACABQ observations (A/AC.96/916, Annex 1), UNHCR noted that the issue of earmarking and its effect on UNHCR's operations had been the subject of informal consultations with the Executive Committee, leading to a *Decision on Guiding Principles applicable to the Resourcing of UNHCR's Unified Budget* which was adopted by the Standing Committee at its 18th meeting (see Annex 8).

85. This report also made reference to UNHCR's efforts to prioritize its activities, as one aspect of the Office's approach to the issue of supplementary activities. In a directive from the Assistant High Commissioner (Director of the Department of Operations) in February 1999, each UNHCR geographical bureau was asked to undertake a prioritization review. The most fundamental objective of this exercise was to identify those activities which UNHCR felt were absolutely essential, and which only UNHCR could, and should, pursue. As such, these activities were to be considered distinct from those which, however legitimate and beneficial, did not respond to UNHCR's primary mandate. This prioritization exercise has become a regular feature of UNHCR's budget preparatory process.

86. At the end of 1999, a further initiative was taken to address some of the issues raised in the ACABQ's recommendation. In December 1999, an internal directive was issued dealing with procedures for involvement of UNHCR in new situations.

87. In a related move, UNHCR issued an internal directive in December 2000 on partnerships, in particular on objectives to be borne in mind when entering into memoranda of understanding with other bodies.

88. Most recently, the issues raised in the ACABQ's recommendation on supplementary activities have been addressed by the High Commissioner's review entitled *Actions 1, 2 and 3*, and related initiatives including the preparation of operational guidelines for the Office's involvement in Special Operations, especially those dealing with internally displaced persons, and in relation to UNHCR partnerships.

89. At its 21st meeting, the Standing Committee, in response to the preliminary observations of the ACABQ on UNHCR's proposals on its budget presentation (see Annex 6), recalled the ACABQ's earlier recommendation (A/AC.96/900/Add.3, para. 40) that the Executive Committee should provide policy guidelines to assist the High Commissioner when accepting additional supplementary activities. It noted the relevance in this context of the guiding principles applicable to the resourcing of UNHCR's unified budget, adopted by the Standing Committee at its 18th meeting (A/AC.96/939 Annex B), and requested that draft policy guidelines addressing all the criteria mentioned by the ACABQ should be presented to the 22nd meeting of the Standing Committee for consideration. These draft guidelines can be found at Annex 9.

X. PROGRAMME NEEDS

A. Revised 2001 Budget

90. At its fifty-first session in October 2000, the Executive Committee approved an Annual Programme Budget of $ 872.4 million (excluding the United Nations Regular Budget contribution of $ 19.1 million and Junior Professional Officers of $ 7 million). The Annual Programme Budget included an

Operational Reserve of $ 79.3 million, which represented 10 per cent of the programmed activities. The revised Annual Programme Budget for 2001 (Table II.1) amounts to $ 782.1 million; however, with further increases under Supplementary Programmes, most recently arising from the situation in The former Yugoslav Republic of Macedonia, the total 2001 revised needs amount to $ 874.4 million.

91. As it became clear that the approved 2001 Annual Programme Budget was unlikely to be funded in its entirety, instructions were sent to all Field Offices to plan the implementation of their 2001 operations in the expectation that they would only receive up to 80 per cent of their approved budgets. This across-the-board freeze applied both to operational projects as well as to administrative non-staff costs, while a review of post levels was planned for early 2001. The results of this freeze on operations under both the Annual Programme Budget and the Supplementary Programmes resulted in potential overall savings of some $ 109 million.

92. As already mentioned, soon after taking up office, the new High Commissioner set up three "Action" teams to review the Organization, re-examine the priorities of the Office and consider ways of implementing prioritized activities with the financial resources available. "Action 1" provided guidelines on priority-setting for core and non-core activities, on the basis of which "Action 2" undertook a review of all operational activities with a view to identifying savings and to aligning UNHCR operations to the projected level of income.

93. The preliminary results of Action 2 were presented to the High Commissioner and senior management on 15 March 2001. These were then reviewed by bureaux, divisions and departments with regard to the feasibility of implementing such proposals, taking into account operational realities. Given the complexity of operations in Africa, the review of its operations was done mainly in April and the results analysed in early May. However, in his letter to the Chairman of the Executive Committee on 4 April 2001, the High Commissioner was able to indicate that, as a result of Action 2, budgetary reductions of approximately $ 100.8 million were anticipated. A final review of the agreed results of Action 2 showed reductions of $ 95 million ($ 5.8 million less than the anticipated $ 100.8 million). The results of the linear 20 per cent reduction before Action 2 had brought the overall spending ceiling to $838.9 million. Following the strategic review of UNHCR operations initiated by the High Commissioner, the final reductions led to a revised budget for 2001 of $ 852.9 million (as at 30 May 2001) through a strategic realignment of priorities amongst operations. This $ 95 million reduction corresponded to about 10 per cent of the Annual Programme Budget and the Supplementary Programmes.

94. The situation on 1 July 2001, as presented in Table II.1, shows the Annual Programme Budget still at $ 782.1 million; however, with further increases under Supplementary Programmes, mainly arising from the situation in The former Yugoslav Republic of Macedonia, the total 2001 revised needs amount to $ 874.4 million. Table II.2 gives a list of Supplementary Programmes introduced in 2001 after the approval of the Annual Programme Budget for 2001. Table II.3 shows transfers from the Operational Reserve in 2001 (see para. 16 for the rules governing the use of the reserve and its level). The draft Decision relating to the revised 2001 budget is presented in Part I, para. 25(c).

B. Initial Projections for 2002

95. During April and May 2001, the 2002 programme submissions from Field Offices and Headquarters units were reviewed. The prime concern was to ensure that new directions taken in 2001, resulting from Action 2, would be maintained in 2002. In addition, previous years' implementation rates were scrutinized to ensure that 2002 budgets were set at a realistic level. Budget submissions for 2002 totalled some $ 921.3 million (including an Operational Reserve); however, this figure was revised to $ 828.6 million (including an Operational Reserve) following intensive review. The proposed budgetary requirements for 2002 are found in Table II.1. Special Operations included under the Annual Programme Budget for 2002 are listed in Table II.4. The draft decision relating to the proposed 2002 budget is contained in paragraph 25 (b).

XI. RESOURCES

A. Introductory Comments

96. With the exception of a United Nations Regular Budget Contribution, which amounts to some 2 per cent of UNHCR's resources, all contributions to UNHCR are voluntary. Table II.5 presents a list of UNHCR's principal donors in 2000. A further Table (II.6), shows contributions from the private sector. As well as these financial contributions, an invaluable direct contribution is made by countries hosting refugees.

97. Since assuming Office in January 2001, the High Commissioner has given himself the task of redressing the financial situation currently facing UNHCR. In his address to the Economic and Social Council on 24 July 2001, he deplored the wide gap between the global responsibilities entrusted to UNHCR by the international community, and the funding to carry them out. Already in January 2001, the Office faced projections of inadequate funding, leading to a freeze of 20% of the budget for 2001 that had been approved by its Executive Committee only two months before.

98. The High Commissioner has proposed a number of ways to address this funding issue under Action 3 (see Annex 5). These were discussed at the 21st meeting of the Standing Committee, and it was decided that they should be the subject of further consultations. Other proposals of the High Commissioner that relate to Action 1, namely to classify activities into core or non-core categories within a unified budget, and to introduce distinct resourcing mechanisms for the latter, are set out in Annex 6. Following the recommendation of the ACABQ that the Executive Committee should provide policy guidelines to assist the High Commissioner in accepting additional supplementary activities, a draft of these guidelines has been prepared and is attached at Annex 9.

99. Table I.2 sets out the resource situation for the 2000-2001 biennium, as at 1 July 2001. As this table concerns the budgets for programmed activities, it excludes the Working Capital and Guarantee Fund and the Medical Insurance Plan (MIP), but includes the United Nations Regular Budget contribution.

B. Resources 2000

100. In 2000, total funds available to UNHCR for programmed activities from all sources of funds (including the Regular Budget contribution) amounted to $ 869.1 million. There was a total carry-over into 2000 of some $ 93.8 million; the comparable carry-over into 1999 was $ 138.1 million.

101. Exchange rate fluctuations, in particular the continued strengthening of the US dollar, had an adverse impact in 2000. The value of non-US dollar contributions to UNHCR declined between the time of recording the pledge and the time of actual payment. As noted in the annual accounts (A/AC.96/948), total currency exchange adjustments resulted in a net loss of $ 8 million. Total interest income amounted to $ 5.6 million, against $ 8 million in 1999. The main reason was the low level of funds available for short-term investments. The average level of cash in hand was $ 116 million, as compared to $ 182 million in 1999. The average rate of interest earned on invested funds rose to 6.04% in 2000 against 4.93% in 1999. Late payment of pledged contributions led to greater foreign exchange risks and reduced the potential for investment and interest income.

C. Resources 2001

102. There was a total carry-over into 2001 of some $ 67.7 million, a decrease of some $ 18.5 million as compared to the carry-over of $ 93.8 million from 1999 into 2000. As at 1 July 2001, total resources available in 2001 for programmed activities are estimated to be $ 811.2 million.

D. Resources 2002

103. Initial income projections for 2002 stand at some $ 775 million, taking account of all possible sources (new income, including private sector; unused 2001 earmarked contributions; interest; cancellations of prior-year obligations; and the United Nations Regular Budget). It is anticipated that the balance between the preliminary target for 2002 of $ 828.6 million and the initial income projections can be met through increased income as a result of Action 3 and careful monitoring of implementation rates.

104. The High Commissioner has written to donors, highlighting the importance of full funding of the proposed budget for 2002, and reaffirming that its level of $ 828.6 million is the minimum acceptable budget for UNHCR to function as a viable multilateral organization and to implement the core mandate conferred on it by the international community. It is essential to avoid a recurrence of mid-year cuts in budgets, programmes and services to refugees. The Office is hoping to receive funding indications before the Executive Committee meeting in October 2001, by means of "soft" informal commitments for 2002 to be confirmed at the Pledging Conference in December 2001, which should thus be more closely linked to the approval of the Annual Programme Budget. In the meantime, he is anxious that the approval of the budget should be an informed and conscious process. Since not all donors will be in a position to provide earlier firmer pledges and payment (for instance, because their budget cycle is different from that of UNHCR), some time will be needed to adopt this new practice. However, the prime objective is that full funding of the 2002 budget will be attained under Action 3.

E. United Nations Regular Budget

105. As noted above, UNHCR receives an annual contribution of some $ 19 to $ 20 million from the United Nations Regular Budget towards its administrative expenditure. This is based on the Statute of the Office which states that the administrative expenses of UNHCR are to be met from the United Nations Regular Budget (art. 20). At the request of the General Assembly, the ACABQ provided a provisional definition of what was meant by administrative expenses (Official Records of the General Assembly, Seventh Session, Supplement No.7 (A/2157), paras 362 and 366). This definition was accepted by the Fifth Committee, while noting the reservations expressed by the High Commissioner (Official Records of the General Assembly, Seventh Session, Fifth Committee, 365th Meeting, para.11; Supplement No.7 (A/2352), Section 20 (a)).

106. Currently, these expenditures, as funded under the United Nations Regular Budget, would apply to costs (both posts and related non-post costs) described as Management and Administration (MA). The contribution, however, meets the costs of only 220 MA posts (Table III.6). According to the accepted definition of administrative costs, the United Nations Regular Budget should be paying expenditures (posts and related non-post costs) corresponding to the current 433 MA posts. Current MA costs amount to some $ 58.7 million, of which the United Nations contribution amounts to $ 19.2 million. There has been a progressive deterioration in the value of the United Nations Regular Budget contribution to UNHCR's administrative expenditures: it has fallen from 100 per cent (1950s), to 88 per cent (1973), to about 30 per cent (2001). In a period of resource constraints reflected in diminishing voluntary contributions, the High Commissioner is anxious to remedy the situation in relation to UNHCR's administrative expenses that should be covered by the Regular Budget.

107. The proposed United Nations Regular Budget for the biennium 2002-2003, as found in A/56/6 (Sect.23), makes two proposals: that in future the United Nations Regular Budget contribution be in the form of a grant; and secondly, that there be a modest increase in the contribution of $ 1 million per annum, as of 2002, with subsequent increases to be considered in the context of proposals for future biennia. This proposal falls far short of UNHCR's expectations and entitlements.

108. The High Commissioner is of the view that the United Nations Regular Budget contribution should be restored to what was envisaged in the Statute. However, while accepting the benefits of flexibility implicit in a grant, he is anxious that the value of the contribution in grant form would be maintained, and not eroded over time. He will be making a concerted effort, with the support of Member States, to ensure that UNHCR receives its fair share of assessed contributions to the United Nations Budget; this budgetary contribution to UNHCR is a tangible expression of the universality of the mandate given to it by the international community.

F. Trust Funds

109. Trust Funds constitute another source of funds for activities under the Annual Programme. The Notes for the Financial Statements (A/AC.96/948, para. 10) clarify the terminology in relation to trust funds as used by UNHCR, as follows:

"Trust Funds under both the Annual Programme and the Supplementary Programmes cover activities for which UNHCR received monies from donors without assuming ownership of the funds. The only activity meeting this criterion is related to a contribution originating from the Ted Turner Funds. Until recently, the term trust fund (and consequently the acronym OTF - Other Trust Funds) was widely used within UNHCR as well as by donors in a way that did not necessarily reflect the underlying legal situation, i.e. that the donor did not formally pledge amounts to UNHCR but retained ownership of the funds. In fact all so-called OTFs, except the Ted Turner Funds contribution, were formally pledged to UNHCR to become UNHCR property."

110. Currently, UNHCR has one Trust Fund (made up of three multi-year grants) from the United Nations Foundation (Ted Turner) under the Annual Programme Budget, covering the following issues:

- Strengthening Reproductive Health in Communities in Crisis: $ 2.25 million;
- Refugee Communities against Sexual Violence: $ 1.6 million;
- Enhancing Nutritional Status of Refugee Women, Children and Adolescents: $ 1.0 million.

XII. PARTNERSHIP

A. General Comments

111. The High Commissioner has launched an initiative to advocate within UNHCR a culture of partnership, thereby promoting more meaningful collaboration with the spectrum of organizations and entities that have a direct relevance to the work of UNHCR. This initiative has a strong operational focus, aimed at making a tangible difference to the lives of those of concern to the Office. It will also be a strategic exercise to identify a range of agencies with whom UNHCR should have close working relationships. Operationality and predictability will be two key elements of partnership arrangements.

112. UNHCR will thus seek to enhance its impact on refugees through a recommitment to working with other relevant entities. The good management of partnerships with other organizations is more essential than ever, if the Office is to address effectively that the needs of the people of concern to it. As the term "partnership" suggests, this exercise will be a two-way process. For example, there is need for greater transparency between partners working in a specific refugee situation so as to get a better idea of the totality and origins of resources being dedicated to a particular operation.

113. This partnership review will also need to take into account the changes in UNHCR's operational environment in recent years. With growth in the number, level of professionalism and specificity of interventions of agencies in the humanitarian and development arena, coordination has become more difficult, requiring a more sophisticated approach. The commitment to broad and inclusive partnerships will therefore continue to support existing coordination mechanisms where these exist, while ensuring that they give the challenge of the world's refugees the attention it deserves.

114. The Working Group will seek to reinvigorate and build on the positive outcomes of Partnership in Action (PARINAC) process, as reflected in the NGO/UNHCR Plan of Action drawn up in Oslo in June 1994, and the outcomes of the plenary debate in the fiftieth session (1999) of the Executive Committee on the theme of partnership (A/AC.96/928, Annex III).

B. Current Implementation Patterns

115. In 2000, UNHCR programmes were implemented by UNHCR directly and/or by non-governmental, governmental and inter-governmental implementing partners. Of total expenditure of some $ 801.4 million in 2000, UNHCR was directly responsible for $ 483.2 million (60 per cent) of programmes implemented, of which some $ 51 million were related to international procurement. Of the remaining programmes, $ 150.7 million were implemented by international non-governmental organizations (NGOs); local NGOs were responsible for $ 71.3 million; governmental agencies implemented some $ 78.6 million; and inter-governmental agencies delivered programmes worth some $ 17.6 million.

116. UNHCR's collaboration with United Nations Volunteers (UNVs) is a valued resource. In 2000, some 230 UNVs worked in UNHCR programmes. For the period 1 January-30 June 2001, 315 UNVs were serving with UNHCR; of those number, 141 UNVs had contracts, which started in 2001.

117. The Report of the Board of Auditors has raised a range of issues in relation to the monitoring and control of implementing partners (A/AC.96/749, paras 14-41). UNHCR's proposed follow-up actions are set out in document A/AC.96/949/Add.1.

Table II.1 - UNHCR ANNUAL AND SUPPLEMENTARY PROGRAMME BUDGETS 2001 - 2002 (as at 1 July 2001)
(in thousands of US Dollars)

REGIONAL AND GLOBAL PROGRAMMES / HEADQUARTERS	2001 Approved Annual Budget	2001 Revised Budget			2002 Initial Estimates
		Annual Budget	Supplementary Budget	Total	
West and Central Africa	71,610.7	68,444.7	18,990.3	87,435.0	65,891.3
The Great Lakes, East and Horn of Africa	190,058.4	171,490.6	22,965.9	194,456.5	189,086.4
Southern Africa	30,876.4	32,283.5	5,427.2	37,710.7	39,705.5
Subtotal	**292,545.5**	**272,218.8**	**47,383.4**	**319,602.2**	**294,683.2**
Central Asia, South West Asia, North Africa & the Middle East	78,734.8	78,364.1	-	78,364.1	90,303.3
Asia and the Pacific	56,361.2	54,342.5	-	54,342.5	39,749.3
Europe	77,488.0	64,913.1	-	64,913.1	58,477.7
South-Eastern Europe	138,754.0	112,617.4	17,518.5	130,135.9	88,131.8
Subtotal	**216,242.0**	**177,530.5**	**17,518.5**	**195,049.0**	**146,609.5**
The Americas	25,401.8	22,518.1	-	22,518.1	22,870.9
Global Programmes	49,999.6	53,837.9	722.7	54,560.6	63,154.2
Headquarters	73,808.8	74,809.8	494.8	75,304.6	71,432.3
TOTAL PROGRAMMED ACTIVITIES	**793,093.7**	**733,621.7**	**66,119.4**	**799,741.1**	**728,802.7**
Operational Reserve	79,309.4	48,489.9		48,489.9	72,880.3
TOTAL ANNUAL AND SUPPLEMENTARY PROGRAMMES	**872,403.1**	**782,111.6**	**66,119.4**	**848,231.0**	**801,683.0**
UN Regular Budget	19,124.6			19,178.8	19,891.0
Junior Professional Officers	7,000.0			7,000.0	7,000.0
GRAND TOTAL UNHCR	**898,527.7**	**782,111.6** *	**66,119.4** *	**874,409.8**	**828,574.0** **

* : of which Special Operations (mainly Internally Displaced) $17,956.7 under Annual Budget and $ 28,465.9 under Supplementary Budget

** : of which Special Operations (mainly Internally Displaced) $ 23,089.1

Table II.2 - UNHCR SUPPLEMENTARY PROGRAMMES IN 2001

(in thousands of US Dollars)

Supplementary Programme	Region	2001 revised estimates
Sierra Leone	West and Central Africa	18,990.3
Subtotal Sierra Leone		**18,990.3**
Eritrea	The Great Lakes and Horn of Africa	22,965.9
Subtotal Eritrea		**22,965.9**
Angola	Southern Africa	5,427.2
	Headquarters	72.8
Subtotal Angola		**5,500.0**
The former Yugoslav Republic of Macedonia	South-Eastern Europe	17,518.5
Subtotal fYROM		**17,518.5**
Global Consultations	Global Programmes	722.7
	Headquarters	422.0
Subtotal Global Consultations		**1,144.7**
TOTAL SUPPLEMENTARY PROGRAMMES		**66,119.4**

Table II.3 - TRANSFERS FROM THE 2001 OPERATIONAL RESERVE
as at 1 July 2001
(in US dollars)

1.	**Operational Reserve as approved at EXCOM's Fifty-first Session held in October 2000 (A/AC.96/944, para. 26 (d))**	**79,309,359**
	Reduction following Action 2	8,232,159
	Revised Operational Reserve	**71,077,200**
2.	**Transfers from the Operational Reserve (by regions/countries)**	
	AFRICA	
Congo, Republic of	Continued protection/assistance to Congolese (DRC) refugees	2,410,000
Côte d'Ivoire	Education project in Côte d'Ivoire	1,047,100
Ethiopia	Repatriation of pre-1991 Ethiopian refugees from Sudan	650,100
Guinea	Creation of additional posts due to emergency situation	1,013,300
Malawi	Assistance to flood victims	25,000
Mozambique	Assistance to flood victims	25,000
Mozambique	Support costs to cover new influx of refugees in Mozambique	59,700
Namibia	Support costs to cover new influx of refugees in Namibia	212,500
Sierra Leone	Creation of additional posts due to emergency situation	636,700
Sudan	Repatriation of pre-1991 Ethiopian refugees from Sudan	99,900
Zambia	Support costs to cover new influx of refugees in Zambia	1,059,096
Zambia	Assistance to Angolans in Ukwimi	543,740
Subtotal		**7,782,136**
	ASIA AND THE PACIFIC	
China	Protection/Monitoring of North Koreans	122,800
China	Protection/Assistance to increased number of asylum-seekers	276,000
India	Assistance to earthquake victims	25,000
Japan	Regional Emergency Training Centre	490,062
Myanmar	Continuation of the operation in Myanmar	1,100,000
Philippines	Durable solutions for residual Vietnamese caseload in Palawan	129,430
Subtotal		**2,143,292**
	EUROPE	
Azerbaijan	Local Settlement of IDPs and refugees in Azerbaijan	365,989
Subtotal		**365,989**
	AMERICAS	
Latin America	Assistance to earthquake victims in El Salvador	30,000
Subtotal		**30,000**
	CASWANAME	
Afghanistan	Emergency procurement/handling of tents for IDPs in Afghanistan	805,000
Pakistan	New arrivals in NWFP	2,950,000
Pakistan	Screening operation in Pakistan	684,535
Subtotal		**4,439,535**

GLOBAL PROGRAMMES		
	Investigation into irregularities in the resettlement process in Kenya	300,000
	Prevention and response to sexual and gender-based violence	180,000
	Public awareness campaign	123,600
	Learning programme for training in Staff Development	67,600
	Enhancing staff security	1,115,630
	Imagine Coexistence Project (Reintegration Local Settlement Section)	809,372
	Increase of stock levels in Central Emergency Stockpile	500,000
	Promotion & develop awareness of Nansen Refugee Award	100,000
	Resettlement activities	1,156,000
	Strengthening of the evaluation function in UNHCR	520,000
	Translation of 2nd edition of the Emergency Handbook	100,140
	Additional travel and equipment needs in Emergency Security Service	210,000
	World Refugee Day tool kit and new projection system for Visitor's Centre	110,000
Subtotal		**5,292,342**
HEADQUARTERS		
	Enhancing staff security	1,418,556
	Enhancing records management database	65,000
	Imagine Coexistence Project (Reintegration Local Settlement Section)	190,628
	Refugee education trust	200,000
	Management of contributions from the Dept. of International Development	149,059
	Public awareness campaign	17,010
	Working Group on rotation	493,714
Subtotal		**2,533,967**
Total transferred		**22,587,261**
3. **Balance as of 30 June 2001**		**48,489,939**

Table II.4 - UNHCR SPECIAL OPERATIONS (MAINLY INTERNALLY DISPLACED PERSONS) INITIAL ESTIMATES FOR 2002

(in thousands of US Dollars)

REGION	COUNTRY	2002 Initial Estimates
ASIA AND THE PACIFIC	Myanmar	3,649.1
	Sri Lanka	6,590.1
Sub-total Asia & the Pacific		**10,239.2**
EUROPE	Russian Federation	7,220.4
	Georgia	1,231.0
Sub-total Europe		**8,451.4**
THE AMERICAS	Colombia	4,398.5
TOTAL		**23,089.1**

Table II.5 - CONTRIBUTIONS TO 2001 UNHCR PROGRAMMES
(in United States Dollars)
Situation as at 1 September 2001

	DONOR	AMOUNT IN US$
1	Government of the United States of America	213,461,000
2	Government of Japan	84,631,517
3	European Commission	48,298,609
4	Government of Sweden	39,646,175
5	Government of the Netherlands	30,127,210
6	Government of Denmark	26,668,337
7	Government of Norway	25,339,148
8	Government of the United Kingdom	18,224,685
9	Government of Germany	14,302,320
10	Government of Canada	12,857,656
11	Government of Switzerland	12,059,625
12	Government of Finland	10,220,673
13	Government of Australia	9,535,914
14	Government of Italy	8,315,906
15	Government of Ireland	4,156,243
16	Government of France	4,133,886
17	Private donors Italy	3,931,558
18	Government of Spain	2,002,804
19	International Bank for Reconstruction and Development	1,700,000
20	Private donors United States of America	1,680,243
21	Government of Luxembourg	1,380,725
22	United Nations Trust Fund for Human Security Gov of Japan	1,250,000
23	Government of Belgium	1,564,249
24	Government of New Zealand	959,405
25	Private donors Japan	789,443
26	Private donors Spain	726,429
27	Private donors Kuwait	450,000
28	Government of Austria	338,107
29	Private donors Netherlands	303,831
30	Government of Greece	300,000
31	Government of South Africa	300,000
32	Private donors United Kingdom	292,730
33	Government of China	250,000
34	Private donors Australia	234,814
35	Government of Portugal	200,000
36	OPEC Fund	200,000
37	Private donors Germany	176,138
38	Government of Turkey	150,000
39	Government of Saudi Arabia	127,695
40	Government of Iceland	126,872
41	Private donors Norway	115,732
42	Private donors Pakistan	100,000
	Subtotal	**581,629,679**
	REMAINING DONORS (41)	1,043,019
	GRAND TOTAL	**582,672,698**

NB: Private donors include Non-Governmental Organizations, Foundations and Private donors.
See Table II.6 for breakdown.

Table II.6 - CONTRIBUTIONS TO 2001 UNHCR PROGRAMMES
(in United States Dollars)
Situation as at 1 September 2001
Breakdown of Non-Governmental Organizations, Foundations and Private donors

DONOR	AMOUNT IN US$
Italy	
Pavarotti & Friends	2,310,545
Private donors Italy	1,181,013
ENI (Agip Azerbaijan) Italy	440,000
Total Private donors Italy	**3,931,558**
United States of America	
UNF/UNFIP (Ted Turner)	855,750
USA for UNHCR	805,615
Private donors United States of America	18,878
Total Private donors United States of America	**1,680,243**
Japan	
Soka Gakkai Youth Peace Conference	400,000
Private donors Japan	389,443
Total Private donors Japan	**789,443**
Spain	
Espana con ACNUR	725,324
Private donors Spain	1,105
Total Private donors Spain	**726,429**
Kuwait	
Kuwait Red Crescent Society	450,000
Total Private donors Kuwait	**450,000**
Netherlands	
Stichting Vluchteling	303,831
Total Private donors Netherlands	**303,831**
United Kingdom	
Parthenon Trust, United Kingdom	217,391
Private donors United Kingdom	75,339
Total Private donors United Kingdom	**292,730**
Australia	
Australia for UNHCR	234,814
Total Private donors Australia	**234,814**
Germany	
Deutsche Stiftung fur UNO-Fluchtlingshilfe E.V.	175,358
Private donors Germany	780
Total Private donors Germany	**176,138**
Norway	
STATOIL	108,342
Private donors Norway	7,390
Total Private donors Norway	**115,732.00**
Pakistan	
Husain Afsar Mr & Mrs	100,000
Total Private donors Pakistan	**100,000**
Other Private donors	461,100
Total Other donors	**461,100**
Total Contributions from private donors	**9,262,018**

Only donors contributions more than USD 100,000 are individually identified in this table

Table II.7 - USE OF RESOURCES: ESTIMATED DISTRIBUTION OF PROGRAMMES AND PROGRAMME SUPPORT BY COUNTRY WITHIN REGIONS - 2002
(in thousands of United Stated dollars)

COUNTRIES WITHIN REGION	2002 estimates			Number of Posts						
				Programme Budget			Support Budget			Grand Total
	Programme Budget	Support Budget	Grand total	Professional	General staff & others	Total	Professional	General staff & others	Total	
West and Central Africa										
Regional Office (Abidjan)	-	3,864.4	3,864.4	-	-	-	15	22	37	37
Benin	300.1	-	300.1	-	-	-	-	-	-	-
Burkina Faso	50.0	-	50.0	-	-	-	-	-	-	-
Cameroon	154.0	-	154.0	-	-	-	-	-	-	-
Central African Republic	1,624.7	652.1	2,276.8	3	12	15	3	12	15	30
Chad	100.0	-	100.0	-	-	-	-	-	-	-
Côte D'Ivoire	1,396.0	724.9	2,120.9	1	3	4	3	10	13	17
Gabon	3,656.0	896.7	4,552.7	4	11	15	3	12	15	30
Gambia	305.0	-	305.0	-	-	-	-	-	-	-
Ghana	1,536.9	590.2	2,127.1	1	-	1	2	11	13	14
Guinea	21,067.5	3,524.5	24,592.0	27	139	166	16	41	57	223
Guinea-Bissau	-	-	-	-	-	-	-	-	-	-
Liberia	5,310.9	1,426.2	6,737.1	2	5	7	3	21	24	31
Niger	133.0	-	133.0	-	-	-	-	-	-	-
Nigeria	443.2	567.1	1,010.3	1	-	1	2	5	7	8
Senegal	453.3	652.5	1,105.8	1	1	2	3	12	15	17
Sierra Leone	13,239.8	1,719.3	14,959.1	7	25	32	5	19	24	56
Togo	30.0	-	30.0	-	-	-	-	-	-	-
Regional Activities	1,473.0	-	1,473.0			-			-	-
Subtotal	**51,273.4**	**14,617.9**	**65,891.3**	**47**	**196**	**243**	**55**	**165**	**220**	**463**

Table II.7 - USE OF RESOURCES: ESTIMATED DISTRIBUTION OF PROGRAMMES AND PROGRAMME SUPPORT BY COUNTRY WITHIN REGIONS - 2002
(in thousands of United Stated dollars)

COUNTRIES WITHIN REGION	2002 estimates			Number of Posts						
				Programme Budget			Support Budget			Grand Total
	Programme Budget	Support Budget	Grand total	Professional	General staff & others	Total	Professional	General staff & others	Total	
The Great Lakes, East and Horn of Africa										
Regional Office (Nairobi)	-	4,384.9	4,384.9	-	-	-	17	15	32	32
Burundi	5,293.0	1,223.9	6,516.9	1	12	13	4	22	26	39
Congo	4,793.9	2,132.5	6,926.4	8	31	39	5	21	26	65
Congo, Democratic Republic of the	19,678.7	3,696.2	23,374.9	14	48	62	12	35	47	109
Djibouti	1,974.7	919.6	2,894.3	1	3	4	3	14	17	21
Eritrea	26,616.1	1,529.2	28,145.3	5	29	34	6	24	30	64
Ethiopia	18,947.2	2,109.1	21,056.3	9	83	92	6	40	46	138
Kenya	14,669.4	3,481.3	18,150.7	12	42	54	11	53	64	118
Rwanda	6,495.3	1,812.0	8,307.3	6	19	25	7	29	36	61
Somalia	8,377.5	-	8,377.5	9	32	41	-	-	-	41
Sudan	10,257.8	1,450.1	11,707.9	9	27	36	4	32	36	72
Uganda	14,425.3	2,044.2	16,469.5	8	47	55	9	32	41	96
United Republic of Tanzania	22,473.6	2,244.6	24,718.2	25	108	133	8	29	37	170
Regional Activities	8,056.3	-	8,056.3							
Subtotal	**162,058.8**	**27,027.6**	**189,086.4**	**107**	**481**	**588**	**92**	**346**	**438**	**1,026**
Southern Africa										
Regional Office (Pretoria)	396.0	1,811.4	2,207.4	1	-	1	10	12	22	23
Angola	2,818.1	1,354.4	4,172.5	1	8	9	4	13	17	26
Botswana	1,452.4	290.3	1,742.7	-	-	-	1	3	4	4
Malawi	822.6	308.5	1,131.1	-	2	2	1	4	5	7
Mozambique	1,129.3	293.0	1,422.3	1	1	2	1	4	5	7
Namibia	5,827.8	449.2	6,277.0	4	12	16	2	6	8	24
South Africa	3,682.2	1,173.1	4,855.3	2	2	4	4	17	21	25
Swaziland	155.8	-	155.8	-	-	-	-	-	-	-
Zambia	13,194.9	2,305.6	15,500.5	12	49	61	9	30	39	100
Zimbabwe	1,613.3	427.7	2,041.0	-	-	-	1	5	6	6
Regional Activities	200.0	-	200.0	-	-	-	-	-	-	-
Subtotal	**31,292.4**	**8,413.1**	**39,705.5**	**21**	**74**	**95**	**33**	**94**	**127**	**222**

Table II.7 - USE OF RESOURCES: ESTIMATED DISTRIBUTION OF PROGRAMMES AND PROGRAMME SUPPORT BY COUNTRY WITHIN REGIONS - 2002
(in thousands of United Stated dollars)

COUNTRIES WITHIN REGION	2002 estimates			Number of Posts						
				Programme Budget			Support Budget			Grand Total
	Programme Budget	Support Budget	Grand total	Professional	General staff & others	Total	Professional	General staff & others	Total	
Central Asia, South West Asia, North Africa and the Middle East										
Afghanistan	7,812.6	1,679.6	9,492.2	10	36	46	3	11	14	60
Algeria	3,901.4	721.7	4,623.1	3	6	9	3	8	11	20
Egypt	1,906.0	1,024.4	2,930.4	2	-	2	3	14	17	19
Iran, (Islamic Republic of)	24,042.6	1,512.8	25,555.4	9	46	55	5	26	31	86
Iraq	1,658.0	1,393.1	3,051.0	4	5	9	5	18	23	32
Israel	-	10.0	10.0	-	-	-	-	-	-	-
Jordan	1,249.8	330.3	1,580.1	2	4	6	1	7	8	14
Kazakhstan	1,048.4	410.9	1,459.3	1	1	2	1	5	6	8
Kyrgyzstan	715.1	510.9	1,226.0	-	1	1	2	7	9	10
Lebanon	1,236.4	546.0	1,782.4	1	1	2	1	7	8	10
Libyan Arab Jamahiriya	769.5	352.8	1,122.4	-	2	2	1	2	3	5
Mauritania	90.0	217.4	307.4	-	-	-	1	4	5	5
Morocco	129.4	303.9	433.3	-	-	-	1	3	4	4
Pakistan, (Islamic Republic of)	22,847.0	1,924.5	24,771.5	12	42	54	12	27	39	93
Saudi Arabia	687.2	913.9	1,601.1	2	3	5	4	6	10	15
Syrian Arab Republic	1,395.9	664.6	2,060.5	2	2	4	3	8	11	15
Tajikistan	863.2	1,092.6	1,955.8	1	1	2	4	21	25	27
Tunisia	107.6	210.3	317.9	-	-	-	1	3	4	4
Turkmenistan	702.8	397.5	1,100.3	1	2	3	1	8	9	12
Uzbekistan	526.4	529.3	1,055.7	1	5	6	1	12	13	19
Western Sahara Territory	-	309.2	309.2	-	-	-	1	3	4	4
Yemen	2,657.3	576.1	3,233.4	4	14	18	2	12	14	32
Regional Activities	325.0	-	325.0			-			-	-
Subtotal	**74,671.7**	**15,631.6**	**90,303.3**	**55**	**171**	**226**	**56**	**212**	**268**	**494**

Table II.7 - USE OF RESOURCES: ESTIMATED DISTRIBUTION OF PROGRAMMES AND PROGRAMME SUPPORT BY COUNTRY WITHIN REGIONS - 2002
(in thousands of United Stated dollars)

COUNTRIES WITHIN REGION	2002 estimates			Number of Posts						
				Programme Budget			Support Budget			
	Programme Budget	Support Budget	Grand total	Professional	General staff & others	Total	Professional	General staff & others	Total	Grand Total
Asia and the Pacific										
Australia and New Zealand	325.8	636.4	962.2	2	2	4	2	4	6	10
Bangladesh	2,086.4	508.8	2,595.2	2	13	15	3	7	10	25
Cambodia	115.0	224.6	339.6	-	-	-	1	3	4	4
China	1,880.7	659.4	2,540.1	1	3	4	3	1	4	8
East Timor	560.3	516.9	1,077.2	1	3	4	2	5	7	11
India	2,016.7	809.0	2,825.7	-	9	9	3	14	17	26
Indonesia	2,335.9	1,302.3	3,638.2	2	3	5	8	15	23	28
Japan	1,126.4	1,986.4	3,112.8	1	2	3	3	8	11	14
Korea, Republic of	-	121.0	121.0	-	-	-	1	-	1	1
Lao People's Democratic Republic	167.6	69.4	237.0	1	1	2	-	3	3	5
Malaysia	368.9	268.7	637.6	1	1	2	1	3	4	6
Mongolia	116.8	143.5	260.2	-	1	1	1	2	3	4
Myanmar *	2,923.5	725.6	3,649.1	4	25	29	4	15	19	48
Nepal	5,257.4	502.8	5,760.1	4	16	20	2	12	14	34
Papua New Guinea	278.4	-	278.4	1	2	3	-	-	-	3
Philippines	218.0	197.8	415.8	-	-	-	1	2	3	3
Singapore	57.8	-	57.8	-	-	-	-	-	-	-
Sri Lanka *	5,678.5	911.7	6,590.2	8	37	45	4	20	24	69
Thailand	3,382.9	965.1	4,348.0	6	20	26	2	21	23	49
Viet Nam	20.0	-	20.0	-	-	-	-	-	-	-
Regional Activities	283.2	-	283.2							
Subtotal	**29,200.0**	**10,549.3**	**39,749.3**	**34**	**138**	**172**	**41**	**135**	**176**	**348**

* UNHCR Special Operations

Table II.7 - USE OF RESOURCES: ESTIMATED DISTRIBUTION OF PROGRAMMES AND PROGRAMME SUPPORT BY COUNTRY WITHIN REGIONS - 2002
(in thousands of United Stated dollars)

COUNTRIES WITHIN REGION	2002 estimates			Number of Posts						
				Programme Budget			Support Budget			Grand Total
	Programme Budget	Support Budget	Grand total	Professional	General staff & others	Total	Professional	General staff & others	Total	
Europe										
Armenia	2,133.7	424.0	2,557.7	1	5	6	2	14	16	22
Austria	809.7	657.5	1,467.2	3	3	6	3	3	6	12
Azerbaijan	1,990.1	742.8	2,732.9	1	3	4	3	16	19	23
Baltic States	260.0	-	260.0	-	-	-	-	-	-	-
Belarus	546.0	233.7	779.6	-	1	1	1	4	5	6
Belgium	481.7	1,683.8	2,165.5	-	3	3	11	4	15	18
Bulgaria	677.7	274.6	952.3	1	1	2	1	5	6	8
Cyprus	399.2	291.3	690.5	-	1	1	1	4	5	6
Czech Republic	541.2	306.9	848.1	1	2	3	1	4	5	8
France	980.0	785.0	1,765.0	2	3	5	4	3	7	12
Georgia*	3,991.2	1,374.7	5,365.9	4	22	26	6	14	20	46
Germany	1,005.9	791.1	1,797.0	-	7	7	3	5	8	15
Greece	541.8	460.8	1,002.6	-	1	1	2	4	6	7
Hungary	773.8	492.4	1,266.2	1	1	2	3	6	9	11
Ireland	60.0	311.0	371.0	-	-	-	1	2	3	3
Italy	534.7	793.1	1,327.8	2	1	3	4	4	8	11
Latvia	40.7	62.0	102.7	-	1	1	1	3	4	5
Malta	204.7	-	204.7	-	-	-	-	-	-	-
Moldova, Republic of	772.0	273.7	1,045.7	1	1	2	1	4	5	7
Netherland	42.0	210.0	252.0	-	1	1	1	1	2	3
Poland	376.9	297.9	674.8	-	1	1	1	4	5	6
Portugal	104.6	-	104.6	-	-	-	-	-	-	-
Romania	746.4	321.5	1,067.9	1	1	2	1	5	6	8
Russian Federation**	13,494.3	2,051.2	15,545.5	5	29	34	6	20	26	60
Slovakia	268.9	244.7	513.6	-	1	1	1	4	5	6
Slovenia	457.3	250.9	708.2	-	1	1	1	4	5	6
Spain	302.2	543.1	845.3	1	-	1	3	4	7	8
Sweden	336.9	759.8	1,096.7	2	-	2	3	6	9	11
Switzerland	469.5	210.5	680.0	2	1	3	1	1	2	5
Turkey	2,917.3	2,780.1	5,697.4	1	25	26	7	35	42	68
Ukraine	1,631.4	504.7	2,136.1	1	1	2	2	9	11	13
United Kingdom	355.8	862.6	1,218.4	1	1	2	3	3	6	8
Regional Activities	1,235.0	-	1,235.0							
Subtotal	**39,482.4**	**18,995.3**	**58,477.7**	31	118	149	78	195	273	422

* including $ 1,231.0 for Special Operations

** including $ 7,220.4 for Special Operations

Table II.7 - USE OF RESOURCES: ESTIMATED DISTRIBUTION OF PROGRAMMES AND PROGRAMME SUPPORT BY COUNTRY WITHIN REGIONS - 2002
(in thousands of United Stated dollars)

COUNTRIES WITHIN REGION	2002 estimates			Number of Posts						
				Programme Budget			Support Budget			Grand Total
	Programme Budget	Support Budget	Grand total	Professional	General staff & others	Total	Professional	General staff & others	Total	
South-Eastern Europe										
Albania	1,361.6	647.7	2,009.3	1	4	5	2	14	16	21
Bosnia and Herzegovina	18,948.1	3,404.8	22,352.9	18	133	151	8	60	68	219
Croatia	8,813.8	1,333.2	10,147.0	8	49	57	3	23	26	83
The former Yugoslav Republic of Macedonia	3,725.2	937.8	4,663.0	3	12	15	3	14	17	32
Federal Republic of Yugoslavia	45,422.8	3,472.8	48,895.6	38	137	175	11	53	64	239
Regional Activities	64.0	-	64.0							
Subtotal	**78,335.5**	**9,796.3**	**88,131.8**	**68**	**335**	**403**	**27**	**164**	**191**	**594**

Table II.7 - USE OF RESOURCES: ESTIMATED DISTRIBUTION OF PROGRAMMES AND PROGRAMME SUPPORT BY COUNTRY WITHIN REGIONS - 2002
(in thousands of United Stated dollars)

COUNTRIES WITHIN REGION	2002 estimates			Number of Posts						
				Programme Budget			Support Budget			Grand Total
	Programme Budget	Support Budget	Grand total	Professional	General staff & others	Total	Professional	General staff & others	Total	
The Americas										
Argentina	229.2	1,107.2	1,336.4	-	2	2	3	6	9	11
Canada	588.8	507.2	1,096.0	1	-	1	2	4	6	7
Colombia *	3,374.7	1,023.8	4,398.5	4	4	8	5	6	11	19
Costa Rica	547.3	371.3	918.6	-	1	1	1	4	5	6
Cuba	581.0	-	581.0	-	-	-	-	-	-	-
Ecuador	898.9	372.7	1,271.6	1	-	1	1	6	7	8
Mexico	469.4	1,326.0	1,795.4	2	4	6	3	8	11	17
Panama	392.5	-	392.5	-	-	-	-	-	-	-
United States of America	1,622.5	1,210.3	2,832.8	3	2	5	4	6	10	15
Venezuela	483.3	1,188.3	1,671.6	3	3	6	3	8	11	17
Liaison office in New York		1,649.2	1,649.2			-	5	5	10	10
Regional Activities for North Latin America	1,874.2	-	1,874.2			-				-
Regional Activities for Caribbean	152.4	-	152.4			-				-
Regional Activities for South Latin America	2,148.1	-	2,148.1			-				-
Regional Activities for Western Latin America	752.7	-	752.7			-				-
Subtotal	**14,115.0**	**8,755.9**	**22,870.9**	**14**	**16**	**30**	**27**	**53**	**80**	**110**

* Special Operations

Table II.7 - USE OF RESOURCES: ESTIMATED DISTRIBUTION OF PROGRAMMES AND PROGRAMME SUPPORT BY COUNTRY WITHIN REGIONS - 2002
(in thousands of United Stated dollars)

COUNTRIES WITHIN REGION	2002 estimates			Number of Posts						
				Programme Budget			Support Budget			
	Programme Budget	Support Budget	Grand total	Professional	General staff & others	Total	Professional	General staff & others	Total	Grand Total
Global Programmes										
Policy Priorities										
Refugee women	600.0		600.0							
Refugee children and adolescents	1,800.6		1,800.6							
The environment	1,350.0		1,350.0							
Subtotal	**3,750.6**		**3,750.6**							
Other Activities										
Promotion of Refugee Law and Advocacy	510.0		510.0							
Resettlement Projects	3,350.0		3,350.0							
Protection-Related Projects/Vol. Repatriation	2,151.0		2,151.0							
Evaluation	1,350.0		1,350.0							
Registration - Project Profile	1,556.0		1,556.0							
Public Information/Media Projects	9,194.2		9,194.2							
Training-Related Projects	1,400.0		1,400.0							
Emergency-Related Projects	1,870.0		1,870.0							
Education Projects	585.9		585.9							
Others	1,041.6		1,041.6							
Subtotal	**23,008.7**		**23,008.7**							
Programme Support Activities										
Executive Direction and Management										
- Information Technology - Field Support		17,794.4	17,794.4							
- Emergency & Security Service										
Field Safety Section		5,182.5	5,182.5				12	2	14	**14**
Emergency Response Service		2,277.7	2,277.7				13	9	22	**22**
Department of International Protection										
- Resettlement, Field Support		200.0	200.0							
Division of Operational Support										
- Operations Management System		512.5	512.5							
Division of Resource Management										
- Special Staff Costs including Vol. Separation*		5,300.0	5,300.0							
- Training**		4,427.8	4,427.8							
Staff Housing		700.0	700.0							
Subtotal		**36,394.9**	**36,394.9**				**25**	**11**	**36**	**36**
TOTAL GLOBAL PROGRAMMES	**26,759.3**	**36,394.9**	**63,154.2**				**25**	**11**	**36**	**36**

* See para. 181

** See table III.8 for breakdown of budget

PART III

SUPPORT BUDGET

I. INTRODUCTION

118. Part III of the *Annual Programme Budget 2002* focuses on programme support and management and administration costs for all posts and related activities both at Headquarters and in the Field. Definitions of these various categories of support costs can be found in Annex 12.

119. As shown in Figure A at the end of Part I, programme support will use some 22 per cent of total resources in 2001, of which 18 per cent will be for programme support in the Field and four per cent at Headquarters. Management and administration costs will account for seven per cent of total resources. Programmes will account for 70 per cent. Resources for programmes are set out in Table II.7. The estimated use of resources, for programmes, programme support, and for management and administration, in 2001 and 2002, is set out in Table I.1.

II. MANAGEMENT AND ADMINISTRATION AND PROGRAMME SUPPORT

A. General

120. Table III.1 provides a financial overview of the proposed budget estimates for programme support and management and administration by organizational unit. In 2002, programme support estimates show a reduction of some $ 6.4 million in comparison to estimates for the 2001 revised budget. Similarly, the estimates for management and administration of the organization show a decrease of $ 1.5 million. Table III.2 shows the same information by chapter of expenditure. This information is also reflected in Figure C. Table III.3 gives the support budget estimates by appropriation line and location.

121. Post level requirements for 2001-2002 are set out in Table I.3, which also gives a breakdown of these posts by category: programme, programme support and management and administration. Figure C shows support posts by category and location for 2002. Table III.4 provides information on the distribution of these posts by organizational unit and grade level. Table III.5 highlights the proposed changes in the number of posts financed from the support budget, as well as changes in the overall grade structure as a result of reclassifications. Table III.6 gives the distribution of regular budget posts. The issue of "Project Personnel" raised by the Audit Report (A/AC.96/949, paras 106-107) is discussed in paragraph 183.

B. Programme Support

1. The Field

122. As at 1 January 2001, UNHCR had 123 representational Offices. These consisted of 20 Regional Offices; 48 Branch Offices; 18 Offices headed by a Chief of Mission and 37 Liaison Offices. In addition, in countries where UNHCR has major operations, there are additional Sub- and Field Offices. The number of Offices is expected to be reduced as a result of Action 2: some 10 Offices will be closed in 2001. When UNHCR closes its country offices, UNDP continues to represent its interests.

(a) Africa Region

123. Three field-based Regional Directorates have been created in Africa: West and Central Africa; the Great Lakes, East and Horn of Africa; and Southern Africa. Each Directorate is headed by a Regional Director. The Director of the Africa Bureau at Headquarters supervises the three Regional Directors. With effect from 1 May 2001, a temporary administrative arrangement for the management of the Great Lakes region has brought all UNHCR operations in the Democratic Republic of the Congo, the Republic of the Congo, the United Republic of Tanzania, Burundi and Rwanda, under the direct supervision of the Africa Bureau at Headquarters. Before the end of 2001, the Director of the Africa Bureau is to make a recommendation to the High Commissioner on the geographical scope of the various UNHCR African Directorates.

124. Activities in Africa in 2002, as shown in Table I.1, will account for some 36 per cent of the proposed Annual Programme Budget. Programme support for these programmes is estimated at $ 50.1 million. In 2002, the number of programme support posts in the three regions will fall from 864 to 785 (Table III.4). A further breakdown of these posts at country level can be found in Table II.7.

(b) Central Asia, South-West Asia, North Africa and the Middle East

125. UNHCR's activities in this region cover 27 countries, with one Regional Office, six Branch Offices, six Offices headed by a Chief of Mission, and eight Liaison Offices.

126. Activities in the region in 2002, as shown in Table I.1, will account for some 11 per cent of the proposed Annual Programme Budget for 2002. Programme support for these programmes is estimated at $ 15.6 million. UNHCR's major programmes in the region are in the Islamic Republic of Iran ($ 25.6 million), Pakistan ($ 24.8 million), and in Afghanistan ($ 9.5 million). The proposed budgets (programme and support) for all countries in the region, and associated staffing levels can be found in Table II.7. In 2002, the number of programme support posts in the region will fall from 280 to 268 (Table III.4).

(c) Asia and the Pacific

127. On 1 January 2001, there were 18 UNHCR Offices in the region comprising five Regional Offices, five Branch Offices, three Offices headed by a Chief of Mission, and five Liaison Offices. As a result of Action 2, one office is scheduled for closure.

128. Activities in the Asia and the Pacific region in 2002, as shown in Table I.1, will account for some 5 per cent of the proposed Annual Programme Budget for 2002. Largest programmes are those in Sri Lanka ($ 6.6 million) and Nepal ($ 5.8 million). Programme support for the region is estimated at $ 10.5 million. The proposed budgets (programme and support) for all countries in the region, and associated staffing levels can be found in Table II.7.

129. In 2002, the number of programme support posts in the region will drop from 248 to 176 (Table III.4) mainly due to the phasing down of operations in East Timor, Cambodia and the Lao People's Democratic Republic.

(d) Europe

130. As at 1 January 2001, UNHCR's representation (excluding South-Eastern Europe) was made up of four Regional Offices, 13 Branch Offices, one Office headed by a Chief of Mission, and 12 Liaison Offices.

131. Programme estimates for the Europe region in 2002, as shown in Table I.1, will make up some 7 per cent of the proposed 2002 Annual Programme Budget. UNHCR's major programme in the region is in the Russian Federation ($ 15.5 million) of which Special Operations (Chechyna) account for $ 7.2 million. Other large-volume programmes in the region are in Georgia ($ 5.4 million) and Turkey ($ 5.7 million). The proposed budgets (programme and support) for all countries in the region and associated staffing levels can be found in Table II.7. Estimated programme support for all of these programmes amounts to $ 19.0 million.

132. At 1 January 2002, the number of programme support posts in the region will remain at 273 (Table III.4), redistributed between programmes: for example, a decrease in the Russian Federation and a comparable increase for Turkey (Table II.1). In the latter case, the increase was due mainly to the regularization of "project personnel".

(e) South-Eastern Europe

133. The South-Eastern Europe Operation (SEO) was established in June 1999 to coordinate and provide support to UNHCR's activities in the region, as well as to ensure consistency with the Office's overall strategy and its priority objectives. The operation covers a total of five countries: Albania, Bosnia and Herzegovina, Croatia, The former Yugoslav Republic of Macedonia and the Federal Republic of Yugoslavia. With regard to the Federal Republic of Yugoslavia, operations were headed by the High Commissioner's Special Envoy, based in Pristina, Kosovo. Operations concerning Albania, Bosnia and Herzegovina, Croatia, the Dayton refugee caseload in the Federal Republic of Yugoslavia and The former Yugoslav Republic of Macedonia, were led by the Coordinator at Headquarters. As of 1 June 2001, UNHCR's operations and countries covered by the SEO come under the responsibility of the Director of the Europe Bureau at Headquarters. The SEO Unit at Headquarters has thus been absorbed into the Europe Bureau structure. Since 1 August, a field-based Regional Coordinator for South-Eastern Europe is based in Belgrade, reporting to the Director of the Europe Bureau, and covering initiatives linked to the Stability Pact, aimed at supporting implementation of the Dayton Peace Accords in the region.

134. Activities in this sub-region in 2002, as shown in Table I.1, will account for some 11 per cent of the proposed Annual Programme Budget for 2002. The proposed budgets (programme and support) for all countries in the region and associated staffing levels can be found in Table II.7. Two major programmes will remain in the Federal Republic of Yugoslavia ($ 48.9 million) and in Bosnia and Herzegovina ($ 22.4 million). Programme support for all of the programmes in the region is estimated at $ 9.8 million. Contingency preparations have been made in view of the situation in The former Yugoslav Republic of Macedonia. In 2002, the number of programme support posts in the region will fall from 242 to 191 (Table III.4).

(f) The Americas

135. In the Americas region, UNHCR's activities in 35 countries fall under the purview of four Regional Offices, 2 Branch Offices, one Office headed by a Chief of Mission, and three Liaison Offices.

136. Programme estimates for the Americas region in 2002, as shown in Table I.1, will make up some three per cent of the proposed 2002 Annual Programme Budget. The estimate for programme support for these programmes amounts to $ 8.8 million. UNHCR's major programme in the region, which is a Special Operation, is in Colombia ($ 4.4 million). The proposed budgets (programme and support) for all countries in the region, and associated staffing levels can be found in Table II.7. By 1 January 2002, the number of programme support posts in the region will be reduced by one to total 80 (Table III.4).

2. Headquarters

137. The structure at Headquarters is in the process of modification. Principal among these are the reporting lines for the new Emergency and Security Service (ESS) and the Information Technology and Telecommunications Service (ITTS), which now report directly to the Executive Office (paras 143 and 162 respectively). An organigramme showing Headquarters Departments, Divisions and Bureaux is contained in Annex 3. Programme support is provided through the Department of International Protection, the Department of Resource Management, the Department of Operations, the Information Technology and Telecommunications Service, and the Emergency and Security Service, for a range of Global programmes (Table II.7).

(a) Department of International Protection

138. The primary role of the Department of International Protection is the setting of standards and norms of international protection, ensuring worldwide consistency of approach; promotion and advocacy in relation to international protection; as well as an important advisory role in the formulation of strategic and operations policy. The Department also provides support and oversight for protection activities in field operations.

139. The Department comprises the Director's Office; the Protection Policy and Legal Advice Section; the Protection Capacity Section; the Protection Operations Support Section; and the Resettlement and Special Cases Section. The number of posts in the Department, as of 1 January 2002, will have increased from 47 to 50 (Table III.5).

(b) Department of Operations

140. The Department of Operations is directed by the Assistant High Commissioner. It is made up of the regional Bureaux (Africa; The Americas; Asia and the Pacific; Europe; Central Asia, South-West Asia, North Africa and the Middle East (CASWANAME), which supervise UNHCR operations in the regions; the Division of Operational Support (DOS); and the Evaluation and Policy Analysis Unit (EPAU)(see para. 173 below). The overall number of posts in 2002 in the Department will remain at 200. This takes into account the transfer of 6 posts from the Field Safety Section, formerly a part of DOS, to the new Emergency and Security Service (ESS).

(i) Bureaux

141. The role of the regional Bureaux, in particular that of the Directors, is to assist the High Commissioner and the Assistant High Commissioner in the strategic planning, formulation and implementation of consistent operational policies in their respective regions. They also provide policy direction, strategic guidance and operational support, and play an important part in liasing with Permanent Missions in Geneva on operations in the respective regions.

(ii) Division of Operational Support

142. The Division of Operational Support is responsible for the management of programmes, in particular in relation to programme design, especially through the new operations management system (OMS), and for technical support. The mainstreaming of policies and guidelines related to refugee women/gender equality, refugee children/adolescents, older refugees and the environment is also a particular focus of the work of the Division. As mentioned above, the Field Safety Section, formerly in the Division, now forms part of the Emergency and Security Service.

(c) Emergency and Security Service

143. In the course of 1999, UNHCR launched three initiatives in the field of emergency and security management:

- the strengthening of the Office's emergency and response capacity;
- the operationalization of a "ladder of options" concerning security in refugee and returnee-populated areas;
- the enhancement of staff security management.

In a move to consolidate, reinforce and integrate comprehensive emergency and security management strategies and actions, the Emergency and Security Service (ESS) was established in January 2001, incorporating the Emergency Preparedness and Response Section, and the Field Safety Section. The Director of ESS reports directly to the High Commissioner.

144. ESS coordinates all aspects of the Office's management of emergency preparedness and response, as well as the safety and security of staff and refugees. The Service is also the Office's focal point on other relevant issues such as civil-military cooperation, landmines, small arms, and improved coordination in complex emergencies.

(i) Emergency Preparedness and Response Section (EPRS)

145. Following the independent evaluation of UNHCR's response to the Kosovo emergency, the High Commissioner decided to make a number of changes aimed at improving the effectiveness of UNHCR's response capacity. Based on the findings of this evaluation, and taking into account other related developments, UNHCR drew up a Plan of Action (May 2000) to address a number of areas which needed improvement. In focuses on four key areas: preparedness; response; structural issues; and post-emergency management. The original Plan continues to be modified and developed as circumstances

evolve, and the Executive Committee receives regular progress reports on its implementation.

(ii) Field Safety Section

146. This Section is responsible for both the safety of UNHCR staff, and refugee and returnee security. In late 2000, the Office undertook a thorough review of all existing staff security policies. Under the direction of the Assistant High Commissioner, a Task Force on Staff Security was established which produced a detailed report of its findings, as well as specific recommendations for the enhancement of staff security, which were endorsed by senior management in late November.

147. Action to reinforce and strengthen staff and refugee security focuses on three key areas:

- Systematizing UNHCR's security training procedures with the objective of fostering a culture whereby safety and security issues are mainstreamed into all of UNHCR's operations;
- Supporting pro-active security management, enabling managers to monitor and anticipate situations closely, in order to take preventive action; and
- Establishing and maintaining standards of security in UNHCR's operations which meet the basic requirements recognized throughout the United Nations system, referred to as minimum operational security standards (MOSS). In certain instances, UNHCR will have to build on MOSS to address its specific needs for remote field station locations.

148. UNHCR has adopted a coordinated approach to these issues, with other partners, both within and outside the United Nations system, while working in close contact with the Office of the United Nations Security Coordinator (UNSECOORD).

149. At a time when UNHCR is cutting back on staff, a sign of the importance that UNHCR attaches to the work of ESS is that 16 new posts have been added to the Service over the last 12 months. These posts cover a range of functions: Senior Coordinator (P5); one Senior Training Officer (P4); two Senior Emergency Officers (P4); two Senior Field Safety Advisers (P4); six Field Safety Advisers (P3); one Administrative Officer (P3); and three General Service staff.

150. The six Field Safety Advisors will form a pool of out-posted staff who will cover field operations on a mission basis. This will enable UNHCR to react to changing operational needs and provide additional capacity to the Field Security Advisers already posted in the Field, who are attached to specific operations. In addition to the international Field Staff Safety Personnel, a number of posts for local security assistants have been approved.

(iii) UNHCR and UNSECOORD

151. UNSECOORD, in conjunction with other agencies, has established a Minimum Operating Standard for Security (MOSS) for each security phase, and actions are being taken for implementation of these standards in the Field. UNHCR has made budgetary provisions for 2002 to cover such costs.

152. Recent consultations have been held on the drawing up of a formula for sharing the costs of the UNSECOORD security system among all United Nations agencies, funds and programmes. The level of UNHCR's contribution to UNSECOORD's costs is yet to be agreed; Table III.7 provides a provisional estimate of expenditure on security in 2002.

(iv) Implementing Partners and Security

153. The Inter-Agency Standing Committee (IASC) Task Force on United Nations-NGO security, led by WFP, has completed its report and presented a set of recommendations which have since been endorsed by the IASC. These reflect agreement on the broad areas for United Nations-NGO collaboration on security at country level, while providing a range of options for concrete measures that would allow adaptation to the local situation and to the working arrangements of NGO and United Nations agencies in the area concerned. The IASC is supporting the implementation of these recommendations by seeking their endorsement by the Administrative Committee on Coordination (ACC), and by incorporating them in the United Nations field security handbook and in security training for designated officials. OCHA will be coordinating these efforts. In the meantime, while endorsing the broad principles, the Ad hoc ACC meeting on Security, which took place in Paris in May 2001, has referred the recommendations to the Legal Office of the United Nations for review. UNHCR would like to see the recommendations disseminated as soon as possible, and will seek, meanwhile, to encourage and support practical measures to enhance collaboration with NGOs on security.

(v) Budget

154. The overall resources that will be committed in 2002 for security, both in Headquarters, the Field and in support of inter-agency arrangements can be found in Table III.7. A provision has been made in the budget of $ 3 million to bring UNHCR's security measures up to the Minimum Operating Standard for Security.

C. Fund for the International Field Staff Housing and Basic Amenities

155. The Revolving Fund for International Field Staff Housing and Basic Amenities was established at the thirty-third session of the Executive Committee as a special account. The use of the Fund was described as follows:

- In cases where no housing is available or suitable housing is not available at reasonable rates, the High Commissioner would authorize expenditure for the purchase or construction of housing, including prefabricated units, and for entering into commercial leases.

- In cases of demonstrated need, the High Commissioner would authorize expenditure for the renovation or extensive maintenance of housing, purchase of small stocks of basic household equipment and, where necessary, connection of utilities and related administrative and legal costs.

- Housing provided to staff would be rented to them in accordance with the existing United Nations rental deduction scheme. Domestic

appliances would be rented to staff at rates providing for amortization over a reasonable period.

156. The Terms of Reference of the Fund were reviewed in March 1994. The basic purposes of the Fund remained the same. The new Terms of Reference stressed, however, that the Fund should benefit primarily those internationally recruited staff members serving in the most difficult duty stations. In 1995, the Executive Committee further improved the conditions of service in the most difficult duty stations (categories D and E) by extending the provisions of the Fund for International Field Staff Housing and Basic Amenities to any duty station within these categories, including capital cities, as of 1996.

157. In 2000, expenditure under the Fund amounted to $ 570,272 and income was $ 454,470 . In the previous year, expenditure amounted to $ 369,300 and income was $ 376,278 . In 2000, the major area of expenditure was again the purchase and maintenance of generators provided to staff members, staff compounds and guest houses. Income derived mainly from the rental of accommodation to staff. At 31 December 2000, the net surplus available under the Fund amounted to $ 1,235,666. This amount should cover the expected level of expenditure for 2001 and 2002.

D. Management and Administration of the Organization

1. Executive Direction and Management

158. The Executive Office is made up of the High Commissioner, supported by the Deputy High Commissioner and the Assistant High Commissioner. The head of the Department of International Protection reports directly to the High Commissioner; the heads of the Division of Communication and Information and the Division of Resource Management report directly to the Deputy High Commissioner, as does the Information Technology and Telecommunications Service and the Chief, Legal Affairs Section. The Department of Operations is headed by the Assistant High Commissioner. The Inspector General, the Director of the UNHCR Liaison Office in New York, the Director of the Emergency and Security Service, and the Principal Advisor, Vice-Chair of the UNHCR 2004 process report directly to the High Commissioner. The UNHCR 2004 process, chaired by the High Commissioner, is reviewing and considering how UNHCR could be more solidly constituted and positioned to carry out its role as the main international institution to enable an efficient and effective response to refugee problems.

159. Table III.4 takes into account the transfer of 59 posts from the Information Technology and Telecommunications Service; two other posts (one P-4; one GS staff) have been created in relation to the UNHCR 2004 process.

Information Technology

160. The focus of UNHCR's efforts in the area of information technology in recent years has been on the development of new systems as part of the ongoing Change Management Process, in particular the Operations Management System (OMS). The basic objective of the OMS is to support the effective planning and management of UNHCR's operations by its staff and by implementing partners. It has two main components: first, the OMS Framework, which is a comprehensive management framework of processes and procedures

guiding the implementation of UNHCR's policies and programmes (see paras 66-69 above); and second, new information technology systems and tools in the areas of protection and programmes, finance, supply chain, human resources and document management, known as the OMS Integrated Systems Project (ISP). The ISP combines three sub-projects:

- Core Support Systems in the areas of Finance, Supply Chain, Human Resources, and Protection and Programme management;
- Electronic Document Management System (EDMS); and
- Information Technology Infrastructure project to support the first two components.

161. The recent Report of the Board of Auditors (A/AC/96/949, paras 57-92) focuses on shortcomings in relation to the ISP. In its main recommendations, the Report states that UNHCR should:

- Establish for the Integrated Systems Project clearly defined, ranked benefits that are quantified as far as possible, in order to establish realistic milestones against which progress can be monitored (para. 64);
- Establish and maintain a single line of project management through which staff report on all aspects of the Integrated Systems Project development (para. 81).

162. In anticipation of these recommendations, the Executive Office took initial steps to address these concerns. In early June 2001, the Deputy High Commissioner announced that the Information Technology and Telecommunications Service (ITTS) would henceforth report directly to her. It was also announced that work was to begin on developing a Corporate Operating Model (COM), also known as a business model, for UNHCR. This COM was seen as basic for the management of UNHCR and particularly relevant to the ISP, as it will ensure that computer systems and architecture delivered meet business requirements. Prior to working on the COM, UNHCR will develop first, a Vision Statement and second, a Business Strategy, which will guide the more detailed development of the COM. Accordingly, work was suspended on the Enterprise Resource Planning (ERP) component *(PeopleSoft)* of the ISP. Components within the Infrastructure Project that relate directly to the ERP were also suspended.

163. The estimated distribution of information technology requirements for 2001-2002 is found in Table III.10. Table III.11 gives a breakdown of costs for the ISP (including the Supply Chain) since its inception.

(i) Integrated Systems Project (ISP)

164. The Integrated Systems Project was designed to consolidate various initiatives in order to achieve better integration across functional areas, to standardize a common information technology platform, and ensure efficient use of project resources. As mentioned above, it has three sub-projects: Core Support Systems; Electronic Document Management System (EDMS); and Information Technology Infrastructure. Each sub-project is multi-year and divided into phases, each with specific deliverables and logical boundaries. Whilst the EDMS sub-project is under the umbrella of the ISP it addresses a different set of business issues, uses different software and is resourced by its own functional team.

165. The Core Support Systems sub-project was designed primarily around the implementation of an Enterprise Resource Planning (ERP) package called *PeopleSoft*. As the ERP did not provide a solution for Protection and Programme management, it was anticipated that additional software, complementing the ERP package, would need to be developed to meet those needs. The programme plan for 2002 included funds for the ongoing implemention of the ERP. The proposed budget is made up of:

Staff Resources	3.6 million
Contractual Services	6.4 million
Equipment	1.4 million
General Operating Expenses/Travel	0.6 million
Total	12.0 million

As a result of the suspension referred to in paragraph 162 above, the further implementation of the ERP component of the ISP will be reviewed once the Corporate Operating Model has been completed. It is anticipated that the overall project cost will not increase as a result of the delay in implementation, but expenditure will be spread over a longer period.

166. The Electronic Document Management System (EDMS) is a second sub-project, which concerns the gathering and preservation of institutional knowledge. The aim is to support staff at Headquarters and in a number of Field locations with automated procedures for document creation, capture, workflow, retrieval and dissemination (publishing). In addition, a records management component of the sub-project aims to assist in the archival retention or efficient disposal of material in the document repository. The EDMS is cross-functional and will enhance access to information and information management, and facilitate collaboration and document sharing among teams. EDMS also allows for the automatic capture of incoming and outgoing electronic mail. As e-mail currently represents a significant, and official, part of UNHCR communications, its incorporation within the EDMS adds considerably to the repository of organizational knowledge.

167. UNHCR is also introducing major functional improvements to EDMS; these include on-line discussions, an electronic action-tracking tool and a tool to review policy documents on-line. In 2002, further enhancement to EDMS will permit automatic sending of outgoing FAXs. In addition, UNHCR plans to pilot-test EDMS in selected Field locations. The Field pilots will not only make sure that the system is installed and up-and-running, but also provide training to ensure that staff are comfortable in using the system. Implementation of EDMS in Offices is targeted at improving records storage and retrieval for all staff, facilitating access to information and improving the information-sharing between Field and Headquarters. Full implementation to Field Offices, however, will not be started until the COM is completed.

168. The Information Technology Infrastructure sub-project concerns the implementation of the Information Technology infrastructure needed to support the first two components. It will involve the implementation of new hardware, system software and a database management system. Telecommunications capabilities with Field Offices will also need to be strengthened to ensure that users in remote locations can benefit fully from the new systems. In addition, the client-server technology used for

messaging and running office support applications will be upgraded to provide a stable platform for rolling out the new applications.

(ii) Supply Chain Project

169. The Supply Chain (SC) Project aims to streamline and modernize the structures and information flow which UNHCR uses to procure and deliver goods and services to field operations, and to maintain and monitor the use of assets. The SC management process includes pipeline visibility, inventory control and full accountability, planning, and the redeployment of assets. The objectives of the SC Project are to improve the efficiency of delivering goods and services for refugees and to generate savings.

170. The SC Project has two components: change management and information technology. This section deals with the former; the latter is covered under the Integrated Systems Project (ISP) and is currently suspended pending the development of the COM.

171. In the first part of 2001, in a further improvement to the business processes related to the supply of goods, the former Supply and Transport Section (STS) was transformed into a Supply Centre, and Supply Units were created in the Field. Generic training on the Supply Chain is now available via UNHCR's intranet.

172. Following the recommendations on United Nations procurement reform, UNHCR has undertaken the following initiatives: the introduction of a UNHCR-specific item master that cross references with the Universal Standard Products and Services Classification Code (UNSPSC) categorization (this is the first coding system to classify both products and services for use throughout the global market place); the use of a common vendor registration through the United Nations Common Supply Database (UNCSD); the creation of a Supply Chain Webpage on the UNHCR Website with information on vendor registration, procedures for 'Doing Business with UNHCR' and announcements of contract opportunities and awards.

2. Evaluation and Policy Analysis Unit

173. The Evaluation and Policy Analysis Unit (EPAU) is responsible for undertaking operational, thematic and sectoral reviews and lessons-learned studies. The Unit is situated in the Department of Operations; this ensures that its work is based on concrete operational experiences and that it is able to contribute to the improvement of UNHCR's operations. The Unit is to be further strengthened by the addition of a P4 post.

3. Division of Communication and Information

174. The Division's main role is to ensure that UNHCR communicates a coherent, consistent and convincing message to the external environment, thereby mobilizing public, political and financial support for the work of the Office. It is also responsible for maintaining good internal communication through smooth-flowing information exchange both at Headquarters and with the Field.

175. The Division consists of the following Services:

- Donor Relations and Resource Mobilization Service;
- Secretariat and Inter-Organization Service;
- Media Relations and Public Information Service;
- Private Sector and Public Affairs Service.

In addition, the Division includes a Unit responsible for liaison with UNHCR's non-governmental partners (NGO Unit) and a Records and Archives Section. The Centre for Documentation and Research, as a unit, has been discontinued; the future of the functions previously performed by the Centre is under review.

176. The number of posts in the Division has fallen by 10, mainly related to the closure of the Centre for Documentation and Research.

4. Division of Resource Management (DRM)

177. The responsibilities of the Division of Resource Management include:

- Financial management, including budget, finance, treasury, audit liaison, asset management and housing fund, travel, policy development and financial training, new financial systems development and implementation;
- Administration of human resources, including policy development, staff administration, recruitment, postings, vacancy management, and personnel-related legal services, as well as the promotion of gender equity;
- Career management and staff support, including career counselling and management, performance management, staff development, staff counselling and welfare, induction/reassignment support and training, and liaison with the Joint Medical Service;
- Supply and transport, including the new Supply Chain;
- Organizational development and management services, including issues related to office structure and office size, working methods and post classification; and
- Building management and mail services.

178. The Division consists of the following services: Human Resources Service; Career and Staff Support Service; Financial Resources Service; and a Supply Centre, in addition to an Organizational Development and Management Section. Table III.5 shows an increase in programme support staff in the Division from 224 to 238, as at 1 January 2001. Five of these posts are transfers from ITTS to the Supply Centre; the remainder represent additional resources for the various sections/units in the Division, including an additional doctor (P5), nurse (P3) and a welfare officer (P2).

179. Areas where there have been important developments in the last year include human resource policies, training and information technology.

(a) Human Resource Policies

180. The implementation of the Office's new human resource policies (1 January 2000), while containing many important features - such as utilizing skills and competencies to match people and jobs - has led to backlogs, with large numbers of staff waiting for extended periods of time for a post. The

current posting system, including the rotation system, will be reviewed in the Fall with a view towards making changes and improvements. The Deputy High Commissioner will lead this review.

(b) Staff Separations

181. A modest provision in the budget (Table II.7) for Special Staff costs is mainly used for covering the costs of staff between postings, as well as staff termination liabilities. No special provisions have been made in the 2002 budget for costs associated with termination liabilities for staff separating from UNHCR as a result of Action 2. The High Commissioner has, however, placed a limit of $ 20 million on this exercise for 2001-2002. In 2001, it is intended that these liabilities will be covered from the annual savings from exchange rate gains on country programmes. These gains are made up of the amounts by which appropriations for country programmes are in excess of the local currency budgets, because of the strengthening of the dollar since the time of country budget approvals.

182. The Audit Report (A/AC/96/949, paras 46-51), while acknowledging that UNHCR does not wish to hold significant funds for longer-term liabilities such as termination benefits, has noted with concern the extent to which staff termination liabilities remain unfunded.

(c) Project Personnel

183. The issue of project personnel has been under examination for some time. "Staff" in this category have been hired to undertake tasks which should normally be carried out by UNHCR regular staff. In some locations it has been both unfeasible to create posts or issue UNHCR fixed-term contracts to supplement temporarily the official UNHCR staffing table, and difficult to find suitable implementing partners. In February 1991, in an official communication to all Field Offices, UNHCR's management sought to assess the extent of this phenomenon, confirming that it was UNHCR's policy not to expand, but rather to contain and, where possible, to reduce the incidence of this type of contractual arrangement. In the mid-1990s, another concerted effort was made to address this problem. In October 1997, the then UNHCR Inspection and Evaluation Service undertook a review of "project staff" and issued a report with a number of findings and recommendations. Recently (April/May 2001), the UNHCR Audit Section of the Office of Internal Oversight Service (OIOS) conducted a review of UNHCR project personnel. This issue is also touched upon in the Audit Report (A/AC.96/949, paras 106-107). UNHCR is currently drawing up instructions to the Field on how to resolve this issue in an equitable manner.

(d) Training

184. The "Learning Programme Strategy" established in early 1999 identified four Learning Programmes (Management, Protection, Operations and Administration) as the core of UNHCR's staff development activities. By mid-2001, UNHCR had designed and developed a Middle Management Programme; a Senior Management Programme; a Protection Learning Programme; and an Operations Learning Programme.

185. Along with the development of the Learning Programmes, the Staff Development Section has been devising complementary activities so as to provide all staff in all locations with opportunities for learning, when

required. In order to determine these requirements and to ensure that training is needs-driven rather than supply-driven, the Personal Appraisal Report (PAR) process has recognized the importance of staff development and continuous learning by including in the new version (effective 1 May 2000) the obligatory selection of one personal learning objective. To support this strategy:

- Some 20 per cent of UNHCR's training budget (funded under the support budget) is distributed to Field Offices (together with appropriate guidelines) so that they manage and initiate their own learning priorities;
- New distance learning courses (Effective Writing; Emergency Management) have been developed to provide flexible self-study opportunities for all staff;
- A new approach to the induction and orientation process in the form of a "tool kit" to allow new and rotating staff to undertake a tailor-made induction/orientation has been developed;
- Increased information dissemination to Field Offices and training providers is being implemented by a new-look intranet site for staff learning; there is also better communication with the now extensive network of training coordinators in each Field Office.

186. At the interagency level, UNHCR remains an active partner in the Interagency Learning Forums: hosting the annual 'Forum of Learning Chiefs; Chairing the IASC (Working Group) Task Force on Training; and co-convening the Geneva Group of UN Training Managers.

187. The two main sources for the funding of training activities are the support budget (for UNHCR staff) and the programme budget (for UNHCR implementing partners). The support budget for training in 2002, amounting to $ 4.4 million, can be found in Table III.8. The budget for the training of implementing partners in 2001 amounts to $ 0.4 million. Statistical information on the number trained in 2000 is found in Table III.9.

Table III.1 - SUPPORT BUDGET ESTIMATES BY ORGANIZATIONAL UNIT, 2001-2002
(in thousands of US dollars)

Appropriation line/ Organizational Unit	2001 Revised (AB+SB)	Volume (Inc./Dec.)		Cost (Inc./Dec.)	2002 Initial Estimates
		Amount	%		
A. Programme support					
1. Field offices					
West and Central Africa	17,171.5	(2,062.3)	(12.0%)	(491.3)	14,617.9
The Great Lakes, East and Horn of Africa	27,968.5	94.2	0.3%	(1,035.1)	27,027.6
Southern Africa	8,409.9	333.4	4.0%	(330.2)	8,413.1
Central Asia, S-W Asia, North Africa & Middle East	16,414.9	(696.9)	(4.2%)	(86.4)	15,631.6
Asia and the Pacific	15,860.0	(4,631.0)	(29.2%)	(679.7)	10,549.3
Europe	18,181.4	630.1	3.5%	183.8	18,995.3
South-Eastern Europe	13,014.9	(2,971.1)	(22.8%)	(247.5)	9,796.3
The Americas	8,530.8	12.5	0.1%	212.6	8,755.9
Global Programmes	28,937.1	9,916.3	34.3%	(2,458.5)	36,394.9
Subtotal	**154,489.0**	**625.2**	**0.4%**	**(4,932.3)**	**150,181.9**
2. Headquarters					
Department of International Protection	5,511.9	100.9	1.8%	(106.1)	5,506.7
Department of Operations					
Bureaux and Liaison Units	14,921.8	(324.4)	(2.2%)	(348.8)	14,248.6
Division of Operational Support	6,821.7	87.9	1.3%	(135.4)	6,774.2
Others	1,301.6	198.6	15.3%	(43.8)	1,456.4
Division of Resource Management	4,784.9	(67.8)	(1.4%)	(646.7)	4,070.4
Information Technology and Telecom. Service	2,438.9	(242.3)	(9.9%)	(137.1)	2,059.5
Subtotal	**35,780.8**	**(247.1)**	**(0.7%)**	**(1,417.9)**	**34,115.8**
Subtotal Programme support	**190,269.8**	**378.1**	**0.2%**	**(6,350.2)**	**184,297.7**
B. Management and administration of the Organization *					
Executive Direction and Management					
Executive Office	4,815.2	(362.9)	(7.5%)	(87.0)	4,365.3
Information Technology and Telecom. Service	7,820.4	(412.0)	(5.3%)	(132.2)	7,276.2
Division of Communication and Information	13,032.2	(1,261.3)	(9.7%)	(42.3)	11,728.6
Department of Operations					
Evaluation and Policy Analysis Unit	537.3	103.0	19.2%	(10.1)	630.2
Division of Resource Management		-			
Financial Resources Service	5,900.4	(7.6)	(0.1%)	(16.3)	5,876.5
Human Resources Service	7,975.0	132.1	1.7%	(237.3)	7,869.8
Career and Staff Support Service	2,748.4	506.2	18.4%	(66.6)	3,188.0
Supply Centre	7,193.6	127.6	1.8%	(312.3)	7,008.9
Others	8,680.1	1,120.3	12.9%	(536.4)	9,264.0
Subtotal Management and administration of the Organization*	**58,702.6**	**(54.6)**	**(0.1%)**	**(1,440.5)**	**57,207.5**
TOTAL NET SUPPORT BUDGET	**248,972.4**	**323.5**	**0.1%**	**(7,790.7)**	**241,505.2**

* includes UN regular budget

Table III.2 - SUPPORT BUDGET ESTIMATES BY CHAPTER OF EXPENDITURE, 2001-2002
(in thousands of US dollars)

Appropriation line/ chapter of expenditure	2001 Revised (AB & SB)	Volume		Cost	2002 Initial Estimates
		Amount	%		
A. Programme support					
1. Field offices (including Global Programmes)					
Posts	88,507.6	(4,726.7)	(5.3%)	(1,118.5)	82,662.4
Other staff costs	12,409.4	76.7	0.6%	(741.9)	11,744.2
Consultants	3,703.0	(3,238.7)	(87.5%)	(39.3)	425.0
Travel	10,483.0	1,365.8	13.0%	(799.2)	11,049.6
Contractual services	4,307.4	6,542.3	151.9%	(712.4)	10,137.3
Operating expenses	18,636.1	1,198.4	6.4%	(966.5)	18,868.0
Supplies and materials	4,329.1	(1,135.2)	(26.2%)	(157.1)	3,036.8
Furniture and equipment	7,796.9	(474.1)	(6.1%)	(405.0)	6,917.8
Others	4,316.5	1,016.7	23.6%	7.6	5,340.8
Subtotal	**154,489.0**	**625.2**	**0.4%**	**(4,932.3)**	**150,181.9**
2. Headquarters					
Posts	24,052.0	611.2	2.5%	(387.2)	24,276.0
Other staff costs	1,445.9	(529.9)	(36.6%)	(66.5)	849.5
Consultants	225.0	(54.7)	(24.3%)	(10.7)	159.6
Travel	2,068.1	342.9	16.6%	(206.9)	2,204.1
Contractual services	1,310.4	(53.2)	(4.1%)	(78.5)	1,178.7
Operating expenses	3,605.9	(351.0)	(9.7%)	(205.2)	3,049.7
Supplies and materials	497.7	(5.5)	(1.1%)	(32.5)	459.7
Furniture and equipment	1,234.3	(228.3)	(18.5%)	(67.5)	938.5
Others	1,341.5	21.4	1.6%	(362.9)	1,000.0
Subtotal	**35,780.8**	**(247.1)**	**(0.7%)**	**(1,417.9)**	**34,115.8**
Subtotal Programme support	**190,269.8**	**378.1**	**0.2%**	**(6,350.2)**	**184,297.7**
B. Management and administration of Organization*					
Posts	37,843.5	695.6	1.8%	(185.0)	38,354.1
Other staff costs	2,362.5	(828.2)	(35.1%)	(95.3)	1,439.0
Consultants	999.5	(261.4)	(26.2%)	(46.1)	692.0
Travel	1,947.1	422.9	21.7%	(147.9)	2,222.1
Contractual services	2,935.7	(387.2)	(13.2%)	(159.2)	2,389.3
Operating expenses	3,753.3	(352.5)	(9.4%)	(212.6)	3,188.2
Supplies and materials	699.8	(45.0)	(6.4%)	(40.5)	614.3
Furniture and equipment	1,393.1	(234.5)	(16.8%)	(72.4)	1,086.2
Others	6,768.1	935.7	13.8%	(481.5)	7,222.3
Subtotal Management and administration of Organization *	**58,702.6**	**(54.6)**	**(0.1%)**	**(1,440.5)**	**57,207.5**
TOTAL					
Posts	150,403.1	(3,419.9)	(2.3%)	(1,690.7)	145,292.5
Other staff costs	16,217.8	(1,281.4)	(7.9%)	(90.)	14,032.7
Consultants	4,927.5	(3,554.8)	(72.1%)	(96.1)	1,276.6
Travel	14,498.2	2,131.6	14.7%	(1,154.0)	15,475.8
Contractual services	8,553.5	6,101.9	71.3%	(950.1)	13,705.3
Operating expenses	25,995.3	494.9	1.9%	(1,384.3)	25,105.9
Supplies and materials	5,526.6	(1,185.7)	(21.5%)	(230.1)	4,110.8
Furniture and equipment	10,424.3	(936.9)	(9.0%)	(544.9)	8,942.5
Others	12,426.1	1,973.8	15.9%	(836.8)	13,563.1
TOTAL BUDGET ESTIMATES	**248,972.4**	**323.5**	**0.1%**	**(7,790.7)**	**241,505.2**

* including UN regular budget

Table III. 3 - SUPPORT BUDGET (PS/MA) ESTIMATES BY APPROPRIATION LINE AND LOCATION, 2001-2002

In thousands of US Dollars

	2001 Revised				Changes				2002	
	Annual & Regular Budget	Supplementary budget	TOTAL	% of total	Volume Inc./(Dec)	Volume %	Cost Inc./(Dec)	Cost %	Proposed Estimates	% of total
A - By appropriation line										
Programme Support										
Field offices	151,432.9	3,056.1	154,489.0	62%	625.2	0.4%	(4,932.3)	(3.2%)	150,181.9	63%
Headquarters	35,286.0	494.8	35,780.8	14%	(247.1)	(0.7%)	(1,417.9)	(4.0%)	34,115.8	14%
Subtotal	**186,718.9**	**3,550.9**	**190,269.8**	**76%**	**378.1**	**0.2%**	**(6,350.2)**	**(3.3%)**	**184,297.7**	**76%**
Management and administration of the Organization*	58,702.6		58,702.6	24%	(54.6)	(0.1%)	(1,440.5)	(2.5%)	57,207.5	24%
TOTAL	**245,421.5**	**3,550.9**	**248,972.4**	**100%**	**323.5**	**0.1%**	**(7,790.7)**	**(3.1%)**	**241,505.2**	**100%**
B - By Location										
Field offices	151,432.9	3,056.1	154,489.0	62%	625.2	0.4%	(4,932.3)	(3.2%)	150,181.9	62%
Headquarters	93,988.6	494.8	94,483.4	38%	(301.7)	(0.3%)	(2,858.4)	(3.0%)	91,323.3	38%
TOTAL	**245,421.5**	**3,550.9**	**248,972.4**	**100%**	**323.5**	**0.1%**	**(7,790.7)**	**(3.1%)**	**241,505.2**	**100%**

* includes UN Regular Budget

Table III.4 - ESTIMATED DISTRIBUTION OF SUPPORT POSTS (PS/MA) BY SOURCE OF FUNDS AND ORGANIZATIONAL UNIT, 2001-2002

Source of funds organizational unit		International Professional category and above								GS and Other Categ	Grand Total
		USG ASC	D-2 L-7	D-1 L-6	P-5 L-5	P-4 L-4	P-3 L-3	P-2/1 L-2/1	NO		
A Programme Support											
1 Country and regional offices											
West and Central Africa											
2001 Annual Programme			1	3	9	21	26		16	170	246
2002 Annual Programme			1	2	12	16	24		13	152	220
The Great Lakes, East and Horn of Africa											
2001 Annual Programme			1	10	10	36	38	8	24	377	504
2002 Annual Programme			1	10	10	25	38	8	23	323	438
Southern Africa											
2001Annual Programme			1	4	1	14	5		10	79	114
2002 Annual Programme			1	4	4	16	8		10	84	127
CASWANAME											
2001 Annual Programme			1	5	16	22	19		24	193	280
2002 Annual Programme			1	5	16	19	15		27	185	268
Asia and the Pacific											
2001 Annual Programme				9	8	19	26	1	15	170	248
2002 Annual Programme			1	6	7	16	10	1	12	123	176
Europe											
2001 Annual Programme			2	10	15	23	21	2	28	172	273
2002 Annual Programme			2	10	15	26	25		32	163	273
South-Eastern Europe											
2001 Annual Programme			2	2	5	8	17	2	20	180	236
Supplementary Programme - fYROM										6	6
Total		0	2	2	5	8	17	2	20	186	242
2002 Annual Programme			1	2	7	5	11	1	17	147	191
The Americas											
2001 Annual Programme			2	5	5	10	5	1	5	48	81
2002 Annual Programme			2	5	3	11	5	1	6	47	80
Total A.1 Programme Support - Country and ROs											
2001											
Annual Programme		-	10	48	69	153	157	14	142	1 389	1 982
Supplementary Programme		-	-	-	-	-	-	-	-	6	6
Total	Total - A.1	-	10	48	69	153	157	14	142	1 395	1 988
2002											
Annual Programme	Total - A.1	-	10	44	74	134	136	11	140	1 224	1 773
2 Global programmes a/											
Executive Direction and Management - ERS/FSS											
2001 Annual Programme				1	2	9				8	20
2002 Annual Programme				1	3	14	7			11	36
Total A.2 Programme Support - Headquarters											
2001 Annual Programme	Total - A.2	-	-	1	2	9	-	-	-	8	20
2002 Annual Programme	Total - A.2	-	-	1	3	14	7	-	-	11	36

Table III.4 - ESTIMATED DISTRIBUTION OF SUPPORT POSTS (PS/MA) BY SOURCE OF FUNDS AND ORGANIZATIONAL UNIT, 2001-2002

Source of funds organizational unit		International Professional category and above								GS and Other Categ	Grand Total
		USG ASC	D-2 L-7	D-1 L-6	P-5 L-5	P-4 L-4	P-3 L-3	P-2/1 L-2/1	NO		
3 Headquarters											
Department of International Protection											
2001 Annual Programme			1	2	5	13	8			18	47
2002 Annual Programme			1	2	5	15	9			18	50
Department of Operations											
2001 Annual programme a/			7	7	28	52	22			84	200
2002 Annual programme			6	7	26	56	21			84	200
Total A.2 Programme Support - Headquarters											
2001 Annual Programme	Total - A.3	-	8	9	33	65	30	-	-	102	247
2002 Annual Programme	Total - A.3	-	7	9	31	71	30	-	-	102	250
Total A Programme Support											
2001											
Annual Programme		-	18	58	104	227	187	14	142	1 499	2 249
Supplementary Programme		-	-	-	-	-	-	-	-	6	6
	Total - A	0	18	58	104	227	187	14	142	1505	2 255
2002 Annual Programme	Total - A	-	17	54	108	219	173	11	140	1 337	2 059
B Management and Administration											
Headquarters											
Executive Direction and Management											
2001 Annual Programme		3	1	2	5	3	3			9	26
2002 Annual Programme		3	1	2	4	6	2			10	28
Information Technology and Telecommunications Service b/											
2001 Annual Programme				1	2	8	16	3		29	59
2002 Annual Programme				1	3	7	17	3		24	55
Department of Operations - EPAU											
2001 Annual Programme					1	1	1			1	4
2002 Annual Programme					1	2	1			1	5
Division of Communication and Information											
2001 Annual Programme			1	5	5	19	19	13		57	119
2002 Annual Programme			1	4	4	19	17	10		54	109
Division of Resource Management b/											
2001 Annual Programme			1	3	11	23	25	4		157	224
2002 Annual Programme			1	4	10	26	26	4		167	238
Total B Management and Administration - Headquarters											
2001 Annual Programme	Total - B	3	3	11	24	54	64	20	-	253	432
2002 Annual Programme	Total - B	3	3	11	22	60	63	17	-	256	435
Grand total											
2001											
Annual Programme		3	21	69	128	281	251	34	142	1 752	2 681
Supplementary Programme		-	-	-	-	-	-	-	-	6	6
	TOTAL	3	21	69	128	281	251	34	142	1 758	2 687
2002											
Annual Programme	TOTAL	3	20	65	130	279	236	28	140	1 593	2 494

a/ 20 posts have been moved from Programme Support for Headquarters to Global Programmes, of which 14 from Executive Direction and Management and 6 from Department of Operations.

b/ 59 posts (Information Technology and Telecommunications Service) have moved from Division of Resource Management to Executive Direction and Management.

Table III.5 ANALYSIS OF SUPPORT POST CHANGES (PS/MA)- ALL SOURCES OF FUNDS
(changes over approved 2001 posts; as at 1 January 2002)

Organizational unit	2001	International Professional category and above							NO	GS and Other Categ	Grand Total	2002	JPO
		USG ASC	D-2 L-7	D-1 L-6	P-5 L-5	P-4 L-4	P-3 L-3	P-2/1 L-2/1					
2001 APPROVED POSTS		3	21	69	128	281	251	34	142	1 752	2 681		164
POST INCREASES/DECREASES													
A. Programme Support													
1. Country and regional offices													
West and Central Africa	246			(1)	1	(4)	(1)		(3)	(18)	(26)	220	
The Great Lakes, East and Horn of Africa	504					(11)			(1)	(54)	(66)	438	1
Southern Africa	114				2	3	3			5	13	127	8
Central Asia, S.W.Asia, North Africa & Middle East	280					(3)	(4)		3	(8)	(12)	268	(4)
Asia and the Pacific	248		1	(3)	(2)	(2)	(16)		(3)	(47)	(72)	176	(2)
Europe	273				2	1	4	(2)	4	(9)	0	273	(1)
South-Eastern Europe	236		(1)		2	(3)	(6)	(1)	(3)	(33)	(45)	191	(2)
The Americas	81				(2)	1	(1)	1	1	(1)	(1)	80	(2)
Total (net) - A.1	1 982	-	-	(4)	3	(18)	(21)	(2)	(2)	(165)	(209)	1 773	(2)
2. Global Programmes a/													
Executive Direction and Management													
Emergency Security Service (ESS - FSS)	20				1	5	7			3	16	36	2
Total (net) - A.2	20	0	0	0	1	5	7	0	0	3	16	36	2
3. Headquarters a/													
Department of International Protection	47					2	1				3	50	1
Department of Operations	200		(1)		(2)	4	(1)				0	200	(5)
Total (net) - A.3	247	0	(1)	0	(2)	6	0	0	0	0	3	250	(4)
Total (net) - A	2 249	-	(1)	(4)	2	(7)	(14)	(2)	(2)	(162)	(190)	2 059	(4)
B. Management and Administration													
Executive Direction and Management	26			1	(1)	1				1	2	28	
Information Tech. and Telecom. Service b/	59						1			(5)	(4)	55	
Department of Operations - EPAU	4					1					1	5	1
Division of Communication and Information	119			(1)	(1)		(2)	(3)		(3)	(10)	109	(4)
Division of Resource Management b/	224			1	(1)	3	1			10	14	238	1
Total (net) - B	432	-	-	1	(3)	5	-	(3)	-	3	3	435	(2)
Total: Post increases/decreases (net)	2 681	-	(1)	(3)	(1)	(2)	(14)	(5)	(2)	(159)	(187)	2 494	(6)
POST RECLASSIFICATIONS													
A. Programme Support													
1. Country and regional offices													
West and Central Africa					2	(1)	(1)						
The Great Lakes, East and Horn of Africa													
Southern Africa					1	(1)							
Central Asia, S.W.Asia, North Africa & Middle East													
Asia and the Pacific					1	(1)							
Europe					(2)	2							
South-Eastern Europe													
The Americas							1	(1)					
2. Headquarters													
Department of International Protection													
Department of Operations													
Total (net) - A		-	-	-	2	(1)	-	(1)	-	-	-		
B. Management and Administration													
Executive Direction and Management				(1)		2	(1)						
Executive Direction and Management - ITTS					1	(1)							
Division of Communication and Information													
Division of Resource Management													
Total (net) - B		-	-	(1)	1	1	(1)	-	-	-	-		
Total: Post reclassifications (net)				(1)	3		(1)	(1)					
Total: Changes (net)			(1)	(4)	2	(2)	(15)	(6)	(2)	(159)	(187)		
2002 PROPOSED POSTS	2 681	3	20	65	130	279	236	28	140	1 593	2 494	2 494	158

a/ 20 posts have been moved from Programme Support for Headquarters to Global Programmes, of which 14 from Executive Direction and Management (ESS) and 6 from Department of Operations (FSS).
b/ 59 posts (Information Technology and Telecommunications Service) have moved from Division of Resource Management to Executive Direction and Management.

Table III.6 - UNITED NATIONS REGULAR BUDGET POSTS (as at 1 January 2002)

Organizational Unit	International Professional category and above										Grand Total
	USG /ASG	D-2	D-1	P-5	P-4	P-3	P-2	Total	NP	GS	
EXECUTIVE DIRECTION & MANAGEMENT											
Office of the High Commissioner	2	-	2	1	1	-	-	6	-	6	12
Office of the Inspector General	-	-	-	3	-	-	-	3	-	1	4
Legal Affairs Section	-	-	-	1	-	-	-	1	-	1	2
INFORMATION TECHNOLOGY & TELECOMS SERVICE											
Information Technology & Telecoms Service	-	-	1	2	3	12	3	21	1	15	37
DIVISION OF COMMUNICATION AND INFORMATION											
Director's Office	-	1	-	-	-	-	-	1	-	-	1
Centre for Documentation and Research	-	-	-	-	-	-	-	-	-	-	-
Donor Relations and Resource Mobilisation Service	-	-	1	1	3	1	4	10	-	5	15
NGO Coordinator	-	-	-	1	-	-	-	1	-	2	3
Secretariat and Inter-Organization Service	-	-	1	1	1	-	-	3	-	1	4
Media Relations and Public Information Service	-	-	1	-	-	-	1	2	-	3	5
Private Sector and Public Affairs Service	-	-	1	1	1	1	3	7	-	1	8
Records and Archives Section	-	-	-	-	-	-	1	1	-	5	6
DEPARTMENT OF OPERATIONS											
Evaluation and Policy Analysis Unit	-	-	-	1	-	-	-	1	-	-	1
DIVISION OF RESOURCE MANAGEMENT											
Office of the Controller and Director	-	1	-	-	-	-	-	1	-	2	3
Organizational Development and Management Section	-	-	-	1	-	1	-	2	-	2	4
FINANCIAL RESOURCES SERVICE											
Head of Service	-	-	1	-	1	2	-	4	-	7	11
Budget Section	-	-	-	1	1	1	-	3	1	10	14
Finance Section	-	-	-	-	-	-	-	-	1	13	14
Treasury Section	-	-	-	1	-	-	-	1	1	6	8
HUMAN RESOURCES SERVICE											
Head of Service	-	-	1	-	-	-	-	1	-	-	1
Policy and Staff Administration Section	-	-	-	1	1	6	-	8	-	21	29
Recruitment and Postings Section	-	-	-	1	-	1	-	2	-	6	8
Information Technology Section (HR)	-	-	-	-	-	-	-	-	-	1	1
CAREER AND STAFF SUPPORT SERVICE											
Head of Service	-	-	-	-	-	-	-	-	-	1	1
Staff Development Section	-	-	-	1	1	-	-	2	-	3	5
Staff Support Unit	-	-	-	-	-	-	1	1	-	-	1
Performance and Career Planning Section	-	-	-	1	-	-	-	1	-	3	4
Supply and Transport Section	-	-	1	-	1	2	2	6	-	12	18
Total	2	2	10	19	14	27	15	89	4	127	220

Table III.7 - PROVISIONAL ESTIMATES FOR UNHCR SECURITY COSTS
2001 - 2002
In Thousands of US Dollars

Activity	2001 Revised	2002 Initial
A - Cost-shared staff safety and security costs		
1 UNHCR's share of the annual funding of the operation of UNSECOORD 1/	96.0	1,451.0
2 UNHCR's assessed cost-share percentage of UNSECOORD Field Security Officers (FSO)	1,250.0	-
3 UNHCR percentage share of Security Coordination Officer post (P-4) in UNSECOORD New York	55.0	-
4 Malicious Act Insurance Policy	360.0	396.0
Subtotal	**1,761.0**	**1,847.0**
B - UNHCR staff safety and security costs		
5 Minimum Operating Standard for Security	-	3,000.0
6 Costs relating to security evacuation and hazard allowances*	3,000.0	3,300.0
7 Costs related to UNHCR Field Safety Advisers in various offices in the field	2,938.2	3,097.8
8 Costs related to security and safety equipment*	143.0	150.0
9 Offices and residential security costs in the Field, including security contracts*	2,418.0	2,659.8
10 Headquarters Field Safety Section (FSS) costs	1,804.7	2,031.5
11 Transportation equipment costs related to security *	392.1	500.0
12 Costs of telecommunications equipment related to security*	555.2	610.8
13 Cost for training on security matters 2/	860.0	100.0
Subtotal	**12,111.2**	**15,449.9**
GRAND TOTAL	**13,872.2**	**17,296.9**

* Amounts provided are estimates as UNHCR does not budget at such detailed levels

1/ At this time any additional costs in support of UNSECOORD are not included in the Annual Programme Budget. When known funding will be requested through a Special Appeal under a Supplementary Programme

2/ The 2001 budget includes a one time amount for the development of security training packages

Table III.8 - TRAINING for UNHCR STAFF : 2000 - 2001 - 2002
Type of Training (All Sources of Funds)
(in thousands of US dollars)

	Activity	2000 Actual	2001 Approved Allocation	2001 Revised Allocation	2002 Proposed Allocation
Protection	Protection/Refugee Law	459.2	625.0	650.0	625.0
	Protection/Ref. Law, Europe	56.2	-	-	-
	Resettlement	80.7	100.0	100.0	100.0
	CDR Information Databases	7.2	25.0	-	-
	Voluntary Repatriation	11.1	150.0	150.0	150.0
	Total Protection	**614.4**	**900.0**	**900.0**	**875.0**
Operations	Emergency Management (EMTP)	71.0	110.0	110.0	110.0
	Workshop for Emergency Managers	151.5	180.0	180.0	180.0
	Programme Management	104.1	310.0	310.0	310.0
	Food Management	-	30.0	30.0	30.0
	Registration/Statistics	-	10.0	10.0	10.0
	Technical Support	0.7	60.0	60.0	60.0
	Civil Military Cooperation		40.0	-	-
	People Oriented Planning	5.2	75.0	75.0	75.0
	Environment	70.1	-	120.0	120.0
	Refugee Children	83.0	-	120.0	120.0
	Logistics/Procurement	1.0	65.0	65.0	65.0
	Total Operations	**486.6**	**880.0**	**1,080.0**	**1,080.0**
Administration	Personnel Administration	103.0	80.0	80.0	80.0
	Finance	127.4	80.0	80.0	80.2
	Admin/Finance Officers	2.5	95.0	95.0	95.0
	Asset Management	15.0	25.0	25.0	25.0
	Total Administration	**247.9**	**280.0**	**280.0**	**280.2**
Management	Management Development	160.6	900.0	660.0	660.0
	Human Resources Managt	1.9	-	-	500.0
	Total Management	**162.5**	**900.0**	**660.0**	**1,160.0**
Induction	Induction and Orientation	-	20.0	20.0	20.0
	Total Induction	**-**	**20.0**	**20.0**	**20.0**
External Studies	External Studies	115.5	200.0	160.0	160.0
	Total External Studies	**115.5**	**200.0**	**160.0**	**160.0**
Other Headquarters Managed					
	Data Processing & Communication	72.7	100.0	100.0	100.0
	Security Awareness	72.6	100.0	860.0	100.0
	Language Training	51.3	50.0	50.0	50.0
	Staff Welfare	5.5	80.0	80.0	80.0
	Communication Skills	46.1	180.0	287.6	287.6
	Telecommunications	38.5	100.0	100.0	100.0
	Career Management System (CMS)	20.8	25.0	25.0	25.0
	Media Relations	3.9	60.0	60.0	85.0
	Health (First Aid/HIV/AIDS)	3.6	25.0	25.0	25.0
	Total Others	**315.0**	**720.0**	**1,587.6**	**852.6**
SUBTOTAL		**1,941.9**	**3,900.0**	**4,687.6**	**4,427.8**
Training delegated to Field Offices		421.4	900.0	900.0	*
TOTAL		**2,363.3**	**4,800.0**	**5,587.6**	**4,427.8**

* Budgets delegated to Field Offices are included in total of $ 4,427.8

Table III.9 - SUMMARY OF UNHCR TRAINING ACTIVITIES IN 2000 [1]

Type of training	UNHCR Staff	Implementing Partners [2]	Totals
UNHCR Learning programmes [3]			
Management	279	-	279
Protection	128	-	128
Distance Learning [4]			
Effective Writing	110	-	110
Emergency Management	98	117	215
Workshops/Courses			
Action for the Rights of the Child	17	15	32
Administration/Personnel/CMS	448	22	470
Communication Skills	46	12	58
Computer Applications	309	35	344
Durable Solutions	22	24	46
Emergencies	121	59	180
Environment	34	23	57
Finance	39	38	77
Induction/Orientation [5]	48	-	48
Language	556	-	556
Logistics, Supplies	52	3	55
People-Oriented-Planning	30	7	37
Programme Management	154	49	203
Protection [6]	519	119	638
Public Information	44	7	51
Security/Safety/First Aid	460	181	641
Social/Counselling/Education/Health	53	24	77
Stress Management	61	32	93
Technical/Sectorial Training	81	-	81
TOTAL	3,709	767	4,476

[1] This table only records substantive training events and consequently does not reflect the full range of training activities initiated locally or in association with implementing partners. UNHCR encourages workplace learning such as coaching, guided missions, on-the-job training and other forms of continuous and flexible learning which are too numerous to register.

[2] Includes NGOs, Governments and other UN Agencies.

[3] Participants who began in the year 2000.

[4] Idem.

[5] At Headquarters only.

[6] Not including a large number of activities related to the Promotion of Refugee Law.

Table III.10 - ESTIMATED DISTRIBUTION OF INFORMATION TECHNOLOGY REQUIREMENTS, 2001-2002

In thousands of US Dollars

Purpose	Staff Costs	Consultancies	Contractual Services	Others	TOTAL
I - INTEGRATED SYSTEM PROJECT (ISP)					
2001 revised	1,500.0	3,000.0	550.0	3,574.0	8,624.0
2002 initial	3,577.6		6,430.0	1,992.4	12,000.0
II - SUPPLY CHAIN					
2001 revised	127.8	70.0	325.0	387.7	910.5
2002 initial	322.1		13.0	599.9	935.0
III - OPERATIONS MANAGEMENT SYSTEM					
2001 revised	70.5	105.0	150.0	187.0	512.5
2002 initial	70.5	105.0	150.0	187.0	512.5
SUBTOTAL I - III					
2001 revised	**1,698.3**	**3,175.0**	**1,025.0**	**4,148.7**	**10,047.0**
2002 initial	**3,970.2**	**105.0**	**6,593.0**	**2,779.3**	**13,447.5**
IV - PRODUCTION AND RECURRENT MAINTENANCE					
Information Technology and Telecommunications service					
2001 revised	5,118.1	50.0	-	25.0	5,193.1
2002 initial	5,092.3	20.0	80.0	20.0	5,212.3
Support of information and telecommunication systems at Headquarters					
2001 revised	40.0	189.3	2,084.7	2,752.1	5,066.1
2002 initial	20.0	107.2	1,906.1	2,090.1	4,123.4
Support of information and telecommunication systems in the field					
2001 revised	126.9	130.0	1,641.8	2,405.3	4,304.0
2002 initial	60.0	25.0	2,347.5	2,426.9	4,859.4
SUBTOTAL IV					
2001 revised	**5,285.0**	**369.3**	**3,726.5**	**5,182.4**	**14,563.2**
2002 initial	**5,172.3**	**152.2**	**4,333.6**	**4,537.0**	**14,195.1**
V - GRAND TOTAL					
2001 revised	**6,983.3**	**3,544.3**	**4,751.5**	**9,331.1**	**24,610.2**
2002 initial	**9,142.5**	**257.2**	**10,926.6**	**7,316.3**	**27,642.6**

Note Staff costs include Temporary Assistance and Overtime costs

Table III.11 - INTEGRATED SYSTEM PROJECT (including Supply Chain)

Expenditure and Budget 1997 - 2002

In Thousands of US Dollars

Years	Staff Costs	Travel	Contractual Service	Operating Expenses	Supplies & Materials	Others	Total
1997	188.6	106.5	446.8	27.1	0.6	88.9	**858.5**
1998	780.3	52.8	866.3	51.5	2.0	33.0	**1,785.9**
1999	1,120.9	147.4	4,262.3	0.9	3.4	446.6	**5,981.5**
2000	2,592.6	188.1	2,869.1	38.6	3.6	133.9	**5,825.9**
Subtotal expenditure	**4,682.4**	**494.8**	**8,444.5**	**118.1**	**9.6**	**702.4**	**14,451.8**
2001 Revised	4,697.8	300.0	875.0	639.4	1,005.9	2,016.4	**9,534.5**
2002 Proposed	3,899.7	331.5	6,443.0	618.3	5.8	1,636.7	**12,935.0**
Total Expenditure and Budget	**13,279.9**	**1,126.3**	**15,762.5**	**1,375.8**	**1,021.3**	**4,355.5**	**36,921.3**

Figure C. Support budget (PS/MA) by chapter of expenditure, 2002

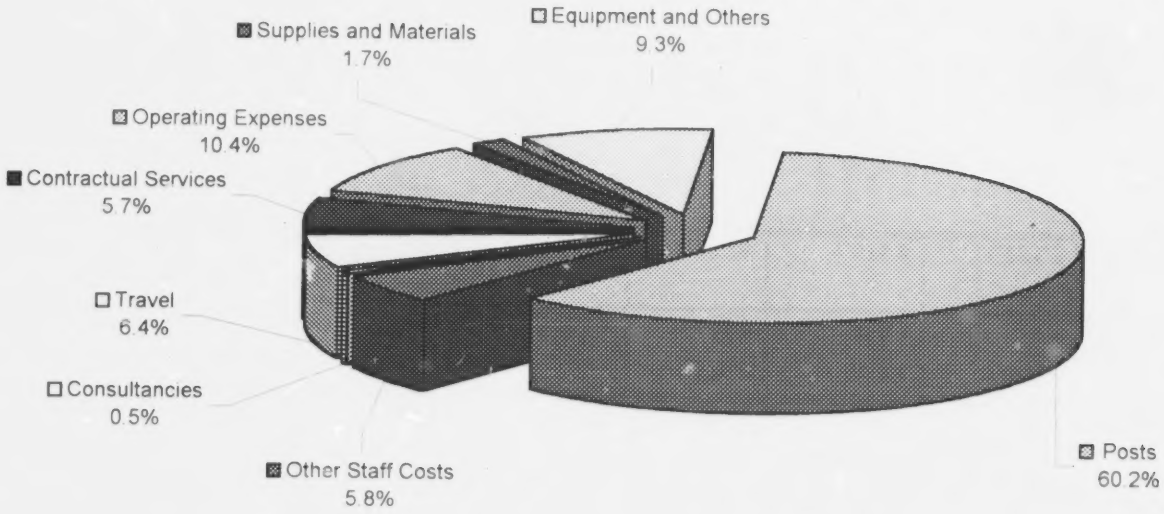
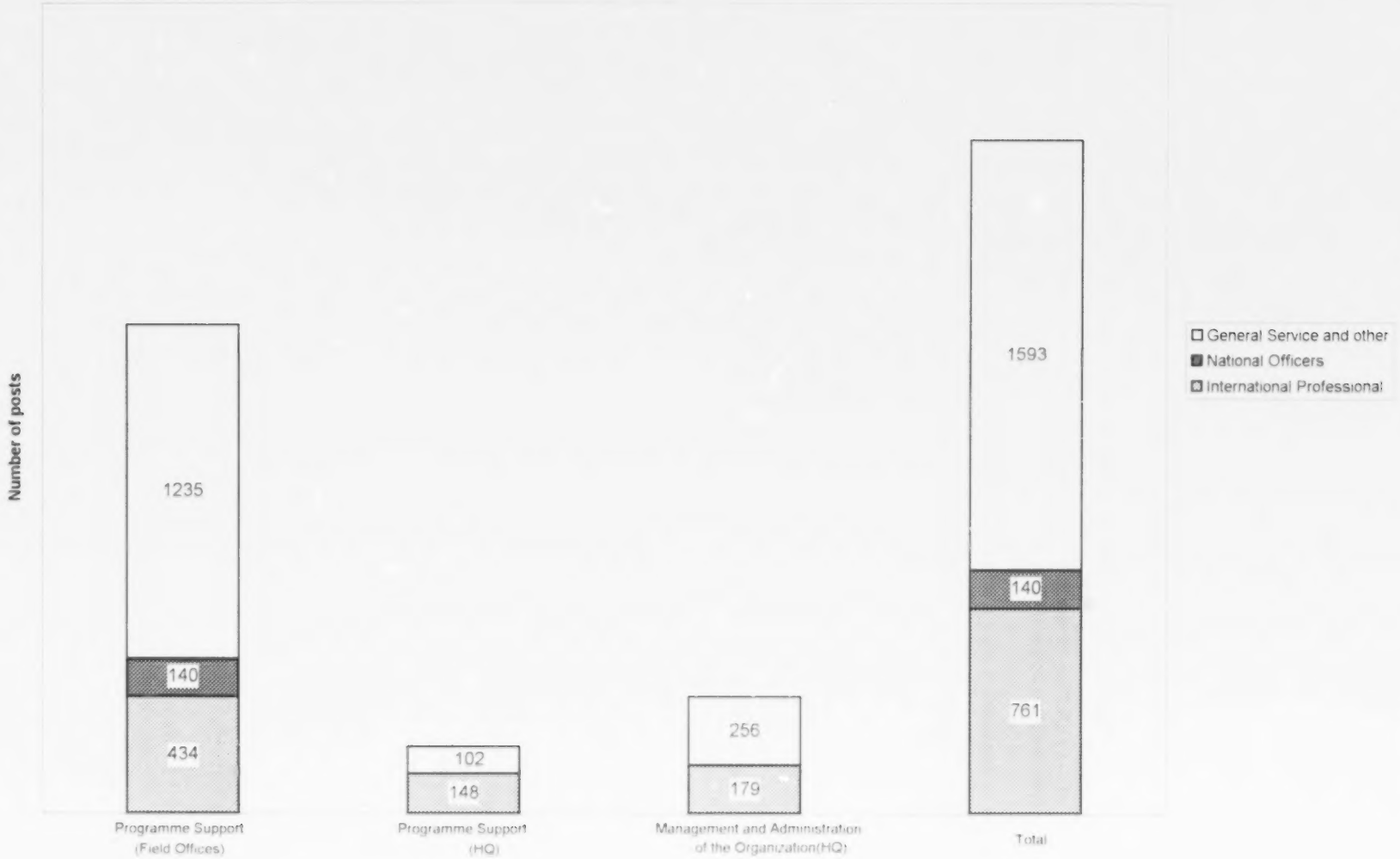


Figure D. Support posts (PS/MA) by category and location, 2002



FOLLOW-UP TO ACABQ OBSERVATIONS ON UNHCR's ANNUAL PROGRAMME BUDGET 2001

1. This Annex sets out UNHCR's comments on the ACABQ's observations on *UNHCR's Annual Programme Budget 2001* (A/AC.96/932), as found in the ACABQ's Report (A/AC.96/932, Add. 1).

2. **Observation:** *The Advisory Committee requests that the information on the review of the effectiveness of the changes in the unified budget, requested by the Standing Committee in document A/AC.96/929, annex 1, be also submitted to the ACABQ* (para. 2).

Comment: The review, in the form of informal consultations was held on 8 May 2001. A Working Paper was prepared to facilitate discussion at these consultations on the budget process, with a view to preparations for UNHCR's programme budget for 2002. It had two parts:

- A review of UNHCR's experience with a unified budget;
- Proposals on differentiating types of activities within the unified budget.

Part I of the Working paper (attached at Annex 4) responded to the request of the Executive Committee to review the experience of the last year with a unified budget, in particular the patterns of funding and trends in tied or "earmarked" contributions, and UNHCR's ability to manage its programmes within a unified budget. Part II of the Working Paper was subsequently reformulated as a conference room paper (EC/51/SC/CRP.15/Rev.1) for presentation to the Standing Committee at its 21st meeting (25-27 June 2001). Attached to this paper was ACABQ's letter of 7 June 2001, with its preliminary observations on the proposals. These proposals are to be taken up again by the ACABQ at its regular Fall meeting when it considers UNHCR's budget for 2002. A slightly revised form of the same document is found at Annex 6.

3. **Observation:** *The Advisory Committee recommends that the UNHCR programme be presented in Part II of the report in a format that follows major programme themes, discussing cross-cutting programme issues such as programme size, formulation, priorities, funding, implementation, monitoring, indicators, evaluation, impact and results. The categories of the UNHCR core mandate of protection, assistance and durable solutions should be addressed. The present table II.1 of Part II of the report (i.e. Use of resources: estimated distribution of programmes and programme support by country within region) should remain as is or be shortened depending on the information to be presented on cross-cutting issues* (para.4).

Comment: The new proposed format is found in Part II of the document. The former Table II.1 has been retained in its original format so as to provide detailed country information; this is now Table II.7.

4. **Observation:** *The Advisory Committee note[d] that throughout the budget report there [were] inconsistencies in the presentation of geographical groupings in the tables (e.g. the geographical groups shown in annex 2 on*

refugee statistics are different from the groups shown in tables I.3, II.1 and III.1) (para.5).

Comment: All tables, both budgetary and statistical, have been harmonized to show comparable data (numbers of refugees and related budgets).

5. **Observation:** *There is a need to refine the process* (development and review of annual country programmes) *making it less involved, especially at headquarters, with a view to reducing time and expense.* (para. 6).

Comment: The preparation of Country Operations Plans (COPs) continues to be refined. An instruction to Field Offices on 15 December 2000 introduced further improvements, including a *Strategic Management Checklist* to help UNHCR managers in preparing the COP. In addition, an increased number of templates have been provided to facilitate preparation of parts of the report according to a standardized format. Revisions to Chapter 4 of the UNHCR Manual which deals, inter alia, with the preparation of the COP were also issued in December 2000. Support has been provided, moreover, to selected country offices in preparing COPs.

6. **Observation:** *Upon enquiry, the Committee was informed that the possibility of implementing a biennial programme cycle will be further explored in the course of the year with members of the Executive Committee in connection with their ongoing review of the budget structure. The Committee not[ed] that such a move would also facilitate the adoption of a biennial audit cycle (see A/55/513, para.87)* (para. 6).

Comment: Some preliminary consideration was given to this issue at the consultations on the budget held in 8 May 2000. The comparative advantages and disadvantages are still being assessed within UNHCR, as its introduction would need to justified, especially from the point of view of a reduction in time and expense in preparing and controlling the overall budget process. If agreed to, a biennial budget could be introduced for the biennium 2004-2005, in order to be synchronized, like other agencies, with the UN Regular Budget cycle. Delegations also stressed the need to make more meaningful UNHCR's participation in the various exercises associated with the Regular Budget cycle, for example, the preparation of a United Nations Medium-Term Plan and corresponding biennial budgets.

7. **Observation:** *In this connection* (level of budgets of supplementary programmes), *the Advisory Committee recall[ed] its comments in its report of 28 September 1998 (A/AC.96/900/Add.3, paras 38-40). In that report the Committee had recommended that the Executive Committee keep the matter of tied funding under review, so that the range of additional activities funded from the supplementary resources should continue to be consistent with the Statute of UNHCR and should not include those that could be implemented by other agencies of the United Nations system* (para. 10).

Comment: This observation relates to the criteria that should guide the High Commissioner in undertaking supplementary activities. This issue is addressed in paras 81-89, and in Annex 9 containing *Draft Guidelines on Supplementary Activities.*

8. **Observation:** *The Committee considers that the Operational Reserve should be used strictly in accordance with its purposes, as set out in the UNHCR's Financial Rules* (para. 14).

Comment: Allocations from the Operational Reserve are set out in Table II.3. An extract from UNHCR's Financial Rules governing the Operational Reserve is found at Annex 10.

9. **Observation:** *The Committee encourages UNHCR to continue the use of United Nations Volunteers in its programmes and to disclose in the next submission their total number* (para. 17).

Comment: Information on the use of UNVs is given in para. 116.

Indicative number of refugees and others of concern to UNHCR, end-2000

Regions reflect UNHCR Regional Bureaux/Operations

Country/territory[1]	Refugees[2]	Asylum-seekers[3]	Returned refugees[4]	Others of concern			Total population of concern
				Internally displaced[5]	Returned IDPs[6]	Various[7]	
Benin	4,296	66	8	-	-	-	4,370
Burkina Faso	696	314	3	-	-	-	1,013
Cameroon	43,680	1,633	3	-	-	-	45,316
Central African Rep	55,661	1,735	63	-	-	-	57,459
Chad	17,692	544	2,619	-	-	-	20,855
Côte d'Ivoire	120,691	2,242	-	-	-	-	122,933
Gabon	17,982	3,036	6	-	-	-	21,024
Gambia	12,016	224	-	-	-	-	12,240
Ghana	12,720	443	1	-	-	-	13,164
Guinea	427,206	-	-	-	-	-	427,206
Guinea-Bissau	7,587	46	541	-	-	-	8,174
Liberia	69,315	-	42,363	110,686	13,361	-	235,725
Mali	8,412	710	5	-	-	-	9,127
Niger	58	446	1	-	-	-	505
Nigeria	7,270	-	1	-	-	-	7,271
Senegal	20,766	1,950	23	-	-	-	22,739
Sierra Leone	6,546	459	40,900	300,000	200,000	-	547,905
Togo	12,223	77	2	-	-	-	12,302
1. West and Central Africa	**844,817**	**13,925**	**86,539**	**410,686**	**213,361**	**-**	**1,569,328**
Burundi	27,136	6,013	6,843	56,000	-	742	96,734
Congo	123,190	878	5,685	-	-	-	129,753
Dem. Rep. of the Congo	332,509	146	14,000	3,000	-	-	349,655
Djibouti	23,243	412	2	-	-	-	23,657
Eritrea	1,984	-	68,005	1,100,000	-	-	1,169,989
Ethiopia	197,959	38	2,936	-	-	-	200,933
Kenya	206,106	8,713	4,872	-	-	-	219,691
Rwanda	28,398	1,720	26,262	-	-	-	56,380
Somalia	558	10	45,870	18,000	-	-	64,438
Sudan	414,928	-	269	-	-	-	415,197
Uganda	236,622	2,473	438	-	-	-	239,533
United Rep. of Tanzania	680,862	21,420	9	-	-	-	702,291
2. The Great Lakes, East and Horn of Africa	**2,273,495**	**41,823**	**175,191**	**1,177,000**	**-**	**742**	**3,668,251**
Angola	12,086	883	8,538	257,508	-	-	279,015
Botswana	3,551	67	3	-	-	-	3,621
Comoros	11	-	-	-	-	-	11
Lesotho	-	-	-	-	-	-	-
Madagascar	50	-	1	-	-	-	51
Malawi	3,900	-	-	-	-	-	3,900
Mauritius	-	-	-	-	-	-	-
Mozambique	207	2,278	-	-	-	-	2,485
Namibia	27,263	1,144	7	-	-	-	28,414
South Africa	15,063	15,138	-	-	-	-	30,201
Swaziland	1,007	-	-	-	-	-	1,007
Zambia	250,940	259	161	-	-	-	251,360
Zimbabwe	4,127	68	-	-	-	-	4,195
3. Southern Africa	**318,205**	**19,837**	**8,710**	**257,508**	**-**	**-**	**604,260**
Sub-Total 1-3	**3,436,517**	**75,585**	**270,440**	**1,845,194**	**213,361**	**742**	**5,841,839**
Afghanistan	-	3	292,484	758,625	-	-	1,051,112
Algeria	169,656	310	3	-	-	-	169,969
Bahrain	1	2	-	-	-	-	3
Egypt	6,840	11,179	6	-	-	-	18,025
Iraq	127,787	946	3,715	-	-	-	132,448
Islamic Rep. of Iran	1,868,000	12,228	60	-	-	-	1,880,288

Indicative number of refugees and others of concern to UNHCR, end-2000

Regions reflect UNHCR Regional Bureaux/Operations

Country/territory[1]	Refugees[2]	Asylum-seekers[3]	Returned refugees[4]	Others of concern			Total population of concern
				Internally displaced[5]	Returned IDPs[6]	Various[7]	
Israel	4,075	334	-	-	-	-	4,409
Jordan	1,072	7,873	34	-	-	-	8,979
Kazakhstan	20,574	5	1	-	-	160,000	180,580
Kuwait	2,776	56	-	-	-	138,000	140,832
Kyrgyzstan	10,609	386	-	-	5,569	-	16,564
Lebanon	2,672	6,023	1,572	-	-	-	10,267
Libyan Arab Jamahiriya	11,543	208	-	-	-	-	11,751
Mauritania	350	44	-	-	-	29,500	29,894
Morocco	915	-	-	-	-	-	915
Oman	-	3	-	-	-	-	3
Pakistan	2,001,466	627	-	-	-	-	2,002,093
Qatar	31	4	-	-	-	-	35
Saudi Arabia	5,309	171	-	-	-	-	5,480
Syrian Arab Rep	3,463	2,643	4	-	-	-	6,110
Tajikistan	15,364	233	1,498	-	-	-	17,095
Tunisia	436	12	1	-	-	-	449
Turkmenistan	14,188	569	27	-	-	-	14,784
United Arab Emirates	562	335	-	-	-	-	897
Uzbekistan	38,350	1,248	-	-	-	-	39,598
Yemen	60,545	1,411	7	-	-	-	61,963
4. Central Asia, South West Asia, North Africa and the Middle East	**4,366,584**	**46,853**	**299,412**	**758,625**	**5,569**	**327,500**	**5,804,543**
Australia**	57,658	4,921	-	-	-	-	62,579
Bangladesh	21,627	2	-	-	-	-	21,629
Cambodia	34	167	-	-	-	-	201
China	294,110	12	1	-	-	-	294,123
East Timor	-	-	48,539	-	5,000	-	53,539
Hong Kong, China (SAR)	983	51	-	-	-	37	1,071
India	170,941	59	23	-	-	-	171,023
Indonesia	122,618	373	803	-	-	1	123,795
Japan	3,752	277	-	-	-	-	4,029
Lao People's Dem. Rep	-	-	9	-	-	-	9
Malaysia	50,487	25	-	-	-	-	50,512
Myanmar	-	-	1,323	-	-	-	1,323
Nepal	129,237	11	-	-	-	-	129,248
New Zealand**	4,923	2,316	-	-	-	-	7,239
Papua New Guinea	5,864	-	-	-	-	400	6,264
Philippines	176	20	3	-	-	-	199
Rep. of Korea	6	109	-	-	-	-	115
Sri Lanka	16	23	16	706,514	-	-	706,569
Thailand	104,965	361	3	-	-	7	105,336
Viet Nam	15,945	-	27	-	-	-	15,972
5. Asia and Pacific	**983,342**	**8,727**	**50,747**	**706,514**	**5,000**	**445**	**1,754,775**
Armenia	280,591	-	-	-	-	-	280,591
Austria*	17,092	9,945	-	-	-	-	27,037
Azerbaijan	287	3,376	27	572,451	-	51,649	627,790
Belarus	458	411	-	-	-	160,000	160,869
Belgium*	18,832	45,000	-	-	-	-	63,832
Bulgaria	1,474	1,316	2	-	-	-	2,792
Cyprus	76	499	-	-	-	7	582
Czech Rep	1,186	5,031	-	-	-	62	6,279
Denmark*	71,035	5,200	-	-	-	-	76,235
Estonia	4	18	-	-	-	-	22

Indicative number of refugees and others of concern to UNHCR, end-2000

Regions reflect UNHCR Regional Bureaux/Operations

Country/territory[1]	Refugees[2]	Asylum-seekers[3]	Returned refugees[4]	Others of concern: Internally displaced[5]	Others of concern: Returned IDPs[6]	Others of concern: Various[7]	Total population of concern
Finland*	13,276	1,300	-	-	-	-	14,576
France	102,508	-	-	-	-	-	102,508
Georgia	7,620	-	81	272,101	284	100	280,186
Germany	906,000	70,266	-	-	-	-	976,266
Greece	6,653	2,379	-	-	-	-	9,032
Hungary	5,064	1,634	-	-	-	-	6,698
Iceland*	244	8	-	-	-	-	252
Ireland*	2,543	12,067	-	-	-	-	14,610
Italy	22,854	113	-	-	-	-	22,967
Latvia	7	2	-	-	-	3	12
Lithuania	55	65	-	-	-	55	175
Luxembourg	296	-	-	-	-	-	296
Malta	190	13	-	-	-	-	203
Netherlands*	146,002	84,466	-	-	-	-	230,468
Norway*	47,693	-	-	-	-	-	47,693
Poland	1,020	-	-	-	-	-	1,020
Portugal*	410	-	-	-	-	-	410
Rep. of Moldova	68	198	-	8,080	-	-	8,346
Romania	1,685	-	-	-	-	-	1,685
Russian Federation	26,265	691	122	490,650	70,000	753,882	1,341,610
Slovakia	457	389	-	-	-	-	846
Slovenia	2,816	8,827	-	-	-	4,739	16,382
Spain*	6,696	-	1	-	-	-	6,697
Sweden*	157,217	10,800	-	-	-	-	168,017
Switzerland	57,653	27,469	-	-	-	-	85,122
Turkey	3,103	5,209	270	-	-	-	8,582
Ukraine	2,951	80	8	-	-	261,141	264,180
United Kingdom*	149,808	66,195	-	-	-	-	216,003
6. Europe	**2,062,189**	**362,967**	**511**	**1,343,282**	**70,284**	**1,231,638**	**5,070,871**
Albania	523	4	1	-	-	-	528
Bosnia and Herzegovina	38,152	80	18,715	518,252	59,347	-	634,546
Croatia	22,437	19	20,716	34,134	15,494	-	92,800
FYR Macedonia	9,050	1	-	-	-	-	9,051
Yugoslavia, FR	484,391	12	124,734	267,500	-	85,000	961,637
7. South-Eastern Europe	**554,553**	**116**	**164,166**	**819,886**	**74,841**	**85,000**	**1,698,562**
Sub-Total 6-7	**2,616,742**	**363,083**	**164,677**	**2,163,168**	**145,125**	**1,316,638**	**6,769,433**
Argentina	2,396	1,274	1	-	-	-	3,671
Bahamas	100	3	-	-	-	-	103
Belize	1,250	35	1	-	-	8,567	9,853
Bolivia	351	3	-	-	-	-	354
Brazil	2,722	543	-	-	-	-	3,265
Canada**	124,732	30,176	-	-	-	-	154,908
Chile	364	69	10	-	-	-	443
Colombia	239	12	309	525,000	-	-	525,560
Costa Rica	5,519	1,089	-	-	-	-	6,608
Cuba	954	13	-	-	-	-	967
Dominican Rep.	510	25	-	-	-	-	535
Ecuador	1,602	151	-	-	-	-	1,753
El Salvador	59	3	10	-	-	-	72
Guatemala	720	7	82	-	-	-	809
Haiti	-	-	6	-	-	-	6
Honduras	12	6	-	-	-	-	18
Jamaica	38	1	-	-	-	-	39
Mexico	18,451	11	6	-	-	-	18,468

Indicative number of refugees and others of concern to UNHCR, end-2000

Regions reflect UNHCR Regional Bureaux/Operations

Country/territory[1]	Refugees[2]	Asylum-seekers[3]	Returned refugees[4]	Others of concern			Total population of concern
				Internally displaced[5]	Returned IDPs[6]	Various[7]	
Nicaragua	332	11	25	-	-	-	368
Panama	1,313	95	257	-	-	-	1,665
Paraguay	21	2	-	-	-	-	23
Peru	687	7	2	-	-	-	696
United States**	505,818	386,330	1	-	-	-	892,149
Uruguay	79	3	6	-	-	-	88
Venezuela	132	75	4	-	-	-	211
8. The Americas	**668,401**	**419,944**	**720**	**525,000**	-	**8,567**	**1,622,632**
Various	-	-	473	-	-	-	473
Total	**12,071,586**	**914,192**	**786,469**	**5,998,501**	**369,055**	**1,653,892**	**21,793,695**

Notes

The data are generally provided by Governments, based on their own definitions and methods of data collection.

In countries with various stages in the asylum procedure, a case (person, family) may have been counted more than once.

A dash (-) indicates that the value is zero, not available or not applicable.

[1] Country or territory of asylum or residence.

[2] Persons recognized as refugees under the 1951 UN Convention, the 1969 OAU Convention, in accordance with the UNHCR Statute, persons granted a humanitarian status and those granted temporary protection.

[3] Persons whose application for asylum or refugee status is pending in the asylum procedure or who are otherwise registered as asylum-seekers.

[4] Refugees who have returned to their place of origin during the year.

[5] Persons who are displaced within their country and to whom UNHCR extends protection and/or assistance, generally pursuant to a special request by a competent organ of the United Nations.

[6] IDPs of concern to UNHCR who have returned to their place of origin during the year.

[7] This concerns mostly persons in the Commonwealth of Independent States (CIS), including "forced migrants" in the Russian Federation (642,000), Crimean Tatars in Ukraine (258,000), returning ethnic Belarusians in Belarus (160,000) and stateless ethnic Kazakhs in Kazakhstan (160,000).

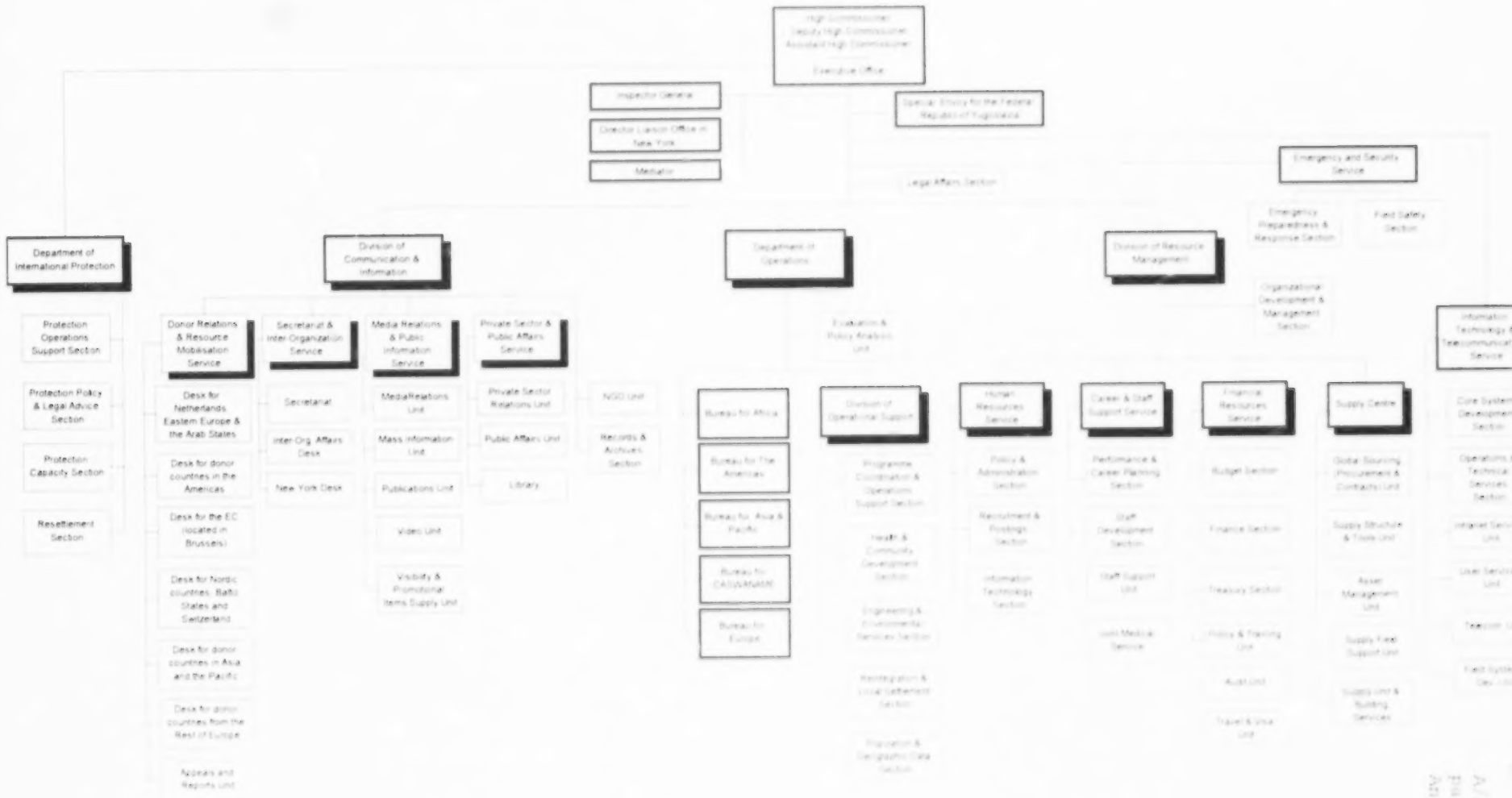
* In the absence of reliable figures, UNHCR has estimated the refugee population based on refugee arrivals and asylum-seeker recognition during 1991-2000.

** In the absence of reliable figures, UNHCR has estimated the refugee population based on refugee arrivals and asylum-seeker recognition during 1996-2000.

Source

Governments, UNHCR

UNHCR Headquarters Structure


Inspector General
Director, Liaison Office in New York
Mediator
Special Envoy for the Federal Republic of Yugoslavia
Legal Affairs Section
Emergency and Security Service
Emergency Preparedness & Response Section
Field Safety Section
Department of International Protection
Protection Operations Support Section
Protection Policy & Legal Advice Section
Protection Capacity Section
Resettlement Section
Division of Communication & Information
Donor Relations & Resource Mobilisation Service
Desk for Netherlands, Eastern Europe & the Arab States
Desk for donor countries in the Americas
Desk for the EC (located in Brussels)
Desk for Nordic countries, Baltic States and Switzerland
Desk for donor countries in Asia and the Pacific
Desk for donor countries from the Rest of Europe
Appeals and Reports Unit
Secretariat & Inter-Organization Service
Secretariat
Inter-Org. Affairs Desk
New York Desk
Media Relations & Public Information Service
MediaRelations Unit
Mass Information Unit
Publications Unit
Video Unit
Visibility & Promotional Items Supply Unit
Private Sector & Public Affairs Service
Private Sector Relations Unit
Public Affairs Unit
Library
NGO Unit
Records & Archives Section
Department of Operations
Evaluation & Policy Analysis Unit
Bureau for Africa
Bureau for The Americas
Bureau for Asia & Pacific
Bureau for CASWANAME
Bureau for Europe
Division of Operational Support
Programme Coordination & Operations Support Section
Health & Community Development Section
Engineering & Environmental Services Section
Resettlement & Local Settlement Section
Population & Demographic Data Section
Division of Resource Management
Organizational Development & Management Section
Human Resources Service
Policy & Administration Section
Recruitment & Postings Section
Information Technology Section
Career & Staff Support Service
Performance & Career Planning Section
Staff Development Section
Staff Support Unit
Joint Medical Service
Financial Resources Service
Budget Section
Finance Section
Treasury Section
Policy & Training Unit
Audit Unit
Travel & Visa Unit
Supply Centre
Global Sourcing, Procurement & Contracts Unit
Supply Structure & Tools Unit
Asset Management Unit
Supply Fleet Support Unit
Supply Unit & Building Services

July 2001

UNHCR's EXPERIENCE WITH THE UNIFIED BUDGET

Note: The following is an extract based mainly on Part I of a working paper prepared to facilitate discussions by the Standing Committee at consultations on UNHCR's budget held on 8 May 2001. The contents have been updated to reflect more recent developments in 2001. A revised form of Part II is found in Annex 6 of this document.

INTRODUCTION

1. The experience with the unified budget, including the process leading to its formulation and its management, has been largely positive but the resourcing of the approved budget has been problematic. Initial apprehensions about excessive "earmarking", the funding of headquarters component of the budget etc., have not been justified. On the other hand, certain negative trends in resourcing operations, although never expected to be resolved by moving to a unified budget, have not been arrested. In the context of such resources and unpredictable, irregular timing of contributions, the management/implementation of the programmed activities approved under the unified budget has continued to be problematic. In the paragraphs that follow, a balance sheet of these experiences with the unified budget will be considered under the following sub-headings: preparation, presentation, approval, and resourcing and managing the budget.

A. Budget Preparation

2. In the course of 2000 and 2001, progress has continued to be made in the preparatory budgetary process through the following:

- Clearer, more *user-friendly instructions* to the Field on the preparation of budgets, including its formulation based on a hierarchy of goals, objectives, outputs etc., with instructions backed-up by a targeted *training/support* programme;
- A more *participatory approach* to such strategic planning exercises through the involvement of relevant partners, including national authorities, implementing partners, donors etc.;
- A more active search for *partners* who might share UNHCR's objectives for a given caseload, country/region etc., and through their involvement in early planning exercises, bring their expertise and resources to the achievement of agreed programme objectives;
- Increased *consultations* with Standing Committee members and observers in shaping the budget to be presented for approval.

3. More needs to be done in this phase of the budget cycle, especially in regard to:

- Better budgeting for both *legal and physical protection* of refugees and *staff security* objectives, as well as the mainstreaming of *programme priorities* relating to refugee women/gender equality, refugee children/adolescents, older refugees, the environment, as well as HIV/AIDS; in this context, the need for *enhanced demographic information* is important;

- Extension of the strategic planning exercises (building on the recent experiences in Zambia and Thailand), to an increased number of countries, with greater efforts to ensure *refugee/beneficiary participation* in ways that are meaningful and in the spirit of UNHCR's approach to community development;
- Sharing with UNHCR's *implementing partners*, especially NGOs, of the Office's objectives in regard to results-oriented budgeting/programming, to be followed-up with training and other types of interventions, where necessary;
- Continued efforts in *building partnerships*, especially in regard to development-related refugee issues such as empowerment of refugees, self-sufficiency, reintegration etc., based on early joint planning and the agreed division of labour according to competence and expertise;
- Building on the *consultative mechanisms* in place for shaping UNHCR's budget; this will mean a more sustained process of consultations which will culminate with an *earlier review* (at the Standing Committee in late June) of the proposed budgetary parameters and prioritised objectives, for the budget to be subsequently presented and approved in October of a given year;
- Progress on the development of *programming software* that will assist the Field in the preparation of strategically formulated budgets; this software should also facilitate any necessary updating that may be required to bridge the differences between the overall budget proposal (Country Operations Plan: COP) submitted in March by Field offices, and the project documentation prepared on the basis of the budget approved by the Executive Committee in any given year;
- Adoption and communication of UNHCR's strategic corporate objectives, so that the *organization's priorities* across and within regions is a basic point of reference in the formulation of country-specific budgets;
- UNHCR's organizational units need to ensure that all foreseeable activities were submitted as part of the budget preparatory process, and not covered subsequently by recourse to the *Operational Reserve*.

B. Presentation/Format of Budget Document

4. The format of the present budget document (see UNHCR *Annual Programme Budget - 2001* (A/AC.96/932)) has further evolved with the move to a unified budget. In response to the comments of the Executive Committee and the Advisory Committee on Administrative and Budgetary Questions (ACABQ), the budget document has been made more concise and manageable so as to facilitate a meaningful review. On the other hand, it has been stressed by the Executive Committee that the document must provide a sound base for budgetary approval, and be supported, where necessary, by more detailed information on country operations in terms of objectives, outputs etc.

5. As regards the format of the budget presented to the Executive Committee last year, comments tended to be favourable:

- The budget document was felt, by most, to be about the right size and reasonably manoeuvrable, thanks to a system of cross-referencing;
- It reflected the overall objectives in introducing a unified budget, namely a greater transparency and cohesiveness;
- There was more use of tables, graphs and pie charts, rather than a reliance on narrative.

6. The ACABQ, however, made a number of observations concerning Part II of the Annual Programme Budget(A/AC.96/932/Add.1). It was felt that the presentation of budget summaries for only some 14 major operations (chosen because of budgetary levels, and to ensure the inclusion of at least one operation per region) was somewhat arbitrary. The Committee nevertheless recognized that the inclusion of a summary of all country operations was not practicable.

7. Efforts by the Office in 2000 to post to a website extracts from the Country Operations Plans (COPs) proved less satisfactory in that they appeared at irregular intervals for a range of reasons:

- the evolving situation in a number of countries e.g. Indonesia, Guinea, Sierra Leone;
- the absence of dedicated resources at Headquarters to handle this additional task, further complicated by the uneven quality of presentations and, in the absence of uniform programme software in the Field, inadequate conformity by Field Offices to the suggested narrative formats.

In 2001, the coverage of country operations on the website is already quite comprehensive.

8. In response to the comments of the ACABQ, Part II of the budget document has been redesigned to address a range of cross-cutting operational, programme issues. The budget will continue to contain, however, comprehensive Tables (budgets, staff etc.) for all country programmes. It is expected that the overall budget document will be some 150 pages, with still greater reliance on tables, graphs, pie charts etc. To supplement the information in the official document, UNHCR will make available summaries (three/four pages) for each country operation (with an indication of the goals, principal objectives, outputs etc.) on its website. Complete budget documentation for a given country at the project level will be available on request.

9. The challenge of striking a balance between conciseness and comprehensiveness in the presentation remains. There will continue to be constraints in this area, until such time as UNHCR has adopted and rolled-out the necessary programming software to the Field. In the end, what will be acceptable to the Executive Committee in terms of format, will depend largely on the perception by the Executive Committee of how transparent, inclusive and professional was the process leading to the budget formulation.

C. Approval

1. Annual Programme Budget

10. The goal of UNHCR is to have the approval phase of the budget seen more as a high point in the budgetary process, which, through a range of consultative mechanisms has brought about a greater sense of ownership by Executive Committee Members of the budget to be approved.

11. The holding of the UNHCR Pledging Conference in Geneva in 2001 should serve to underline the linkage between the approval of the budgetary target and the obligation of the international community to resource UNHCR as a multilateral institution. The High Commissioner attaches special importance to the full funding of the approved Annual Programme Budget. In this context, the issue of UNHCR's share of the UN Regular Budget also needs to be revisited (see paras 28-31 below).

2. Supplementary Programmes

12. Supplementary Programmes represent those activities that arise after the approval of the Annual Programme Budget and before the approval of the next Annual Programme Budget, and which cannot be fully met from the Operational Reserve. They are funded through contributions in response to Special Appeals. Some of these Supplementary Programmes have come on line close to the preparation of the next Annual Programme, at a time when the needs of the operation have not stabilized. Consideration may need to be given, in such circumstances, to allowing the option of incorporating Supplementary Programmes into the Annual Programme Budget within a broader time-frame, namely in the second Annual Programme Budget after the launch of the related Special Appeal. (see also Draft Guidelines on Supplementary Programmes, found at Annex 9.)

D. Resourcing and Managing the Budget

13. At the time of adopting a unified budget, there was little illusion that a unified budget structure, in spite of its advantages such as greater transparency, would in itself turn around dwindling resource trends. But the move to the unified budget was not accompanied by any hard decisions as to whether the approved budget level should reflect realistic, already prioritised *needs*, or be based on sound estimates of likely *income*. De facto, the Executive Committee opted for a needs-based budget, on the implicit understanding that if resources did not meet approved budgetary levels, further prioritization exercises would be undertaken in the course of the year to bridge the gap. The High Commissioner considers that the budget approval must be accompanied by some guarantee of full funding and has set this as a priority for 2002.

1. Resource Flows: Voluntary Contributions

Trends

14. Unfortunately the resources necessary to give effect to the unified budget approved for 2000, did not materialize. The Annual Programme Budget for 2000 as approved by the Executive Committee in October 1999, amounted to

$ 933.5 million. By the time of the next Executive Committee, this had been revised to $ 942.3 million, including some $ 90.6 million in Supplementary Programmes that had been brought on line during the year. Income for the year amounted only to $ 844 million, of which $ 705 million was received in contributions, $ 87 million was carried forward from 1999 and a further $ 52 million derived from the cancellation of prior years' obligations and miscellaneous income. The same pattern has been evident in 2001. The High Commissioner has taken a number of steps under Action 3 (see Annex 5) to address this trend.

Managing Resources

15. The new budget structure has allowed, within the limits imposed by earmarked pledges, a more equitable distribution of resources between all programmes. This flexibility in distributing resources has allowed the High Commissioner to fund those operations faced with anticipated shortfalls.

16. The biggest problem in recent years has been the fall in contributions, below the approved annual programme budget level. In order to cope in 2000 and 2001 with funding trends (insufficient pledges and/or their late announcement), budgets had to be revised in the course of the year and ceilings imposed on obligation levels. Final obligations for 2000 amounted to $ 782 million, against the income of $ 844 million. The funding trends in 2001 are set out in Part II of this budget document. Many activities that could have been undertaken were thus not able to be implemented because of late announcement of pledges. Moreover, budgetary review/prioritization exercises in the course of a programme year were both time-consuming and disruptive. They posed particular problems for the managers of UNHCR's programmes in the field, not only in seeing the budgeted needs of refugees not met, but the agreements with implementing partners based on approved budgets not honoured. The High Commissioner considers that UNHCR needs to be placed on a sounder financial footing: the budget submitted to, and approved by, the Executive Committee should be fully funded.

Pledges

17. The application of the unified budget requires early announcement of pledges. The transfer of the Pledging Conference as of 2001 to Geneva will create a more concrete link with the approval of UNHCR's budget. In relation to the contributions of $ 705 million for the 2000 budget, an amount of $ 168.2 million had been announced at the Pledging Conference (New York, 1999). The Pledging Meeting (Geneva, 2000) for the 2001 budget elicited pledges amounting to $ 237 million. As regards actual contributions, for the first quarter of 2000 these amounted to $ 212.6; the comparable amount for 2001 is $ 288.9 million.

18. Consideration should be given to the development of a multi-year funding framework (MYFF), of which the annual Pledging Conference would be a key element. The High Commissioner has called for a closer link between the Pledging Conference and the approval of the budget. At the time of the approval of the Annual Programme Budget, donors will be asked to give a firmer indication of their commitment to fund the approved budget fully. It is hoped that they will not only provide indications of funding level commitments, but also payment schedules for the next year. This predictability is important especially for assured programme planning.

Earmarking

19. The nature of overall earmarking has not changed significantly under the new Annual Programme Budget. In 2000, UNHCR received 25 per cent of cash contributions untied or "unearmarked". This was broadly consistent with the patterns of previous years. Earmarking for what were formerly Special Programmes has now found expression in earmarking at regional and sub-regional levels of the Annual Programme Budget; this, in fact, represents a form of earmarking that is generally broader than that which existed for the Special Programmes. UNHCR has reiterated, on a number of occasions, that a minimum of 25 per cent of its income must be kept totally unearmarked in order for the Office to operate with flexibility.

Headquarters

20 The resourcing of activities at Headquarters in 2000 was assured by a combination of allocations from unearmarked resources (48%) and specifically earmarked contributions (30%), and from the UN Regular Budget (22%).

Trust Funds

21. The unified budget has not proven as responsive as it should be to those donors wishing to provide funds for new, additional activities that were not programmed nor included in the approved budget (e.g. activities under the Ted Turner UN Foundation). It would appear that one way to handle such activities and earmarked resources could be through the creation of trust funds. A proliferation of such trust funds, however, could disturb the coherence of the unified budget and deprive the Executive Committee of a comprehensive picture of UNHCR's activities.

22. A comparable situation has also arisen for those wishing to provide funds for new activities that are an extension of already programmed activities. An extension of activities included in the approved budget could best be managed according to the rules of the Operational Reserve (i.e. provisions as previously related to the Programme Reserve). Additional resources should, however, be reflected in upward budgetary revisions of the relevant programmes to show the additionality intended by the donor.

23. Another difficulty has arisen in the course of a programme year, where budgetary cuts have affected certain activities, for example resettlement projects, thereby risking the attainment of resettlement quotas established by resettlement countries. Previously, these activities were protected by a trust fund structure. This problem would appear to be more a question of the lack of sophisticated budget adjustment mechanisms (e.g. applying across the board budgetary reductions), rather than of the budget structure itself.

Fund Raising Strategy

24. The new budget structure has presented some problems in mounting an effective fund raising strategy. In the past, funding shortfalls were more obvious between the two broad categories of General and Special Programmes, or between the various Special Programmes. The Annual Programme Budget effectively means that there is primarily a global shortfall to address. This is a much more difficult challenge, as it has reduced significantly UNHCR's

ability to attract donors' interest toward specific programmed activities, without encouraging excessive earmarking. As already mentioned, the High Commissioner has made the full funding of the approved Annual Programme Budget one of his priorities, as reflected in the findings of Action 3 (see Annex 5).

2. Resources: UN Regular Budget Contribution

25. The General Assembly, in paragraph 82 of its resolution of 52/220, requested "the Secretary-General to monitor the flow of extra-budgetary resources to the Office of the United Nations High Commissioner for Refugees and, based on his findings, to review the funding of the Office from the regular budget above the current proposed level." In paragraph 23.17 of the last proposed UN programme budget (A/45/6 Rev.1), the Secretary-General indicated that a review of the funding of UNHCR from the regular budget would take place in the near future on the basis of the outcome of the new categorization of posts in UNHCR, the evolution of UNHCR requirements and the desirability of streamlining and simplifying the budgetary process.

26. The proposed UN Regular Budget currently before the ACABQ and the Fifth Committee (A/56/6 (Sect.23) traces the history of the funding of the administrative costs of UNHCR, both for the 220 administrative posts and non-post administrative expenditures. It notes that the new MA (Management and Administration) category of posts at UNHCR (the other categories being Programme Support (PS) and Programme (PG) posts) was found, on review, to be consistent with the type of posts now funded by the UN Regular Budget. The proposal notes that the number of MA posts identified by UNHCR amounted to 433, while the number of posts financed by the UN Regular Budget during the biennium 2000-2001 amounted only to 220 posts or 50.8% of the posts now categorized as MA posts. The High Commissioner is determined to push for UNHCR's full entitlements under the Regular Budget, as indicated in the Statute and as interpreted by the General Assembly.

27. In addition to funding the 220 posts in the 2000-2001 biennium, the UN Regular Budget also contributed some $ 2.3 million towards UNHCR non-post administrative expenditures (other staff costs, general operating expenditures, supplies and materials). The budget proposal goes on to note that if the UN Regular Budget were to fund a comparable percentage, namely 50.8%, of the estimated non-post costs of some $ 28.4 million for the MA category, then this would require an increase for such costs to rise from $ 2.3 million to $ 14.4 million. Given the overall financial situation of the UN, the budget proposal asks for only an increase of $ 2 million towards these costs in the biennium 2002-2003, with subsequent increases to be considered in the context of proposals for subsequent biennia. The total allocation requested for the 2002-2003 biennium for UNHCR under the UN Regular Budget thus amounts to $ 41.2 million. The High Commissioner has expressed disappointment with the limited scope of this proposal.

28. This modest proposal is nevertheless the first sign of movement on an issue that has preoccupied the Executive Committee for years. The High Commissioner looks to Member States to support UNHCR's efforts to obtain the full funding of its administrative expenditure through the UN Regular budget, as foreseen by the Statute.

E. OTHER ISSUES

29. Some preliminary consideration has been given within UNHCR to a move to a biennial budget. While this would have obvious advantages, the comparative advantages and disadvantages of such budget have still to be further assessed. A biennial budget could only be introduced for the biennium 2004-2005, in order to be synchronized, like those of other agencies, with the UN Regular Budget cycle which is about to approve the next biennium budget for 2002-2003, within the context of its Medium-Term Plan for the period 2002-2005. Moreover, consideration needs to be given to making more meaningful UNHCR's participation in the various exercises associated with the UN Regular Budget cycle, for example, the preparation of a Medium Term Plan (A/55/6 (Prog.21) and corresponding biennial budgets (see A/56/6 (Sect.23)).

ACTIONS 1,2,3

The purpose, scope and results of Actions 1,2,3 initiated early in 2001, are described in a series of letters addressed by the High Commissioner to the Chairman of the Executive Committee. Relevant extracts are reproduced in the following pages.

A. Letter of 4 April 2001

4 April 2001

Sir,

Thank you for your letter of 29 March 2001 replying to my earlier correspondence of 29 January 2001, informing you about the three Actions that I initiated, and which can be summarised as follows:

- **Action 1**: defining UNHCR's core activities; focusing on protection; examining the Office's assistance and emergency capacity, the role of UNHCR staff in carrying out our mission, in coordination, and in reaching out to partners.
- **Action 2**: addressing immediate concerns, mostly in terms of savings; on the basis of priorities established in Action 1, recommending how best UNHCR can operate within the projected income for 2001.
- **Action 3**: addressing fund raising in the broadest sense; reviewing adequate funding mechanisms for a global multi-lateral organization; focusing on the weight and potential of traditional and other donors; considering partnerships for undertaking activities of direct or indirect concern to UNHCR; making proposals to address the immediate problem of funding the Office's programmes in 2001 and 2002.

As I had indicated to you in our meeting of 23 March, I have taken preliminary decisions at the end of that month, and wish to inform you about them. I would be grateful if you would share this with the Bureau of the Executive Committee and with the members and observers.

The results of Action 1 are contained in the attached paper (**Annex A**) and they provide Guidelines on Priority-Setting for Core and Non-Core Activities. This paper is based on the original proposals that were made by the team under the leadership of the then Inspector General, Mr. Nicholas Morris (who retired at the end of March). Parameters were then devised, tested and revised against the proposals of Action 2, making it possible to determine the extent to which they can be applied in practice. The results of Action 1 - as contained in the paper - will be used to review the country operations plans for 2002. Once the Action 1 paper has been tested again on the 2002 programme review, I am prepared to review this final paper on Action 1 in light of comments that I may receive from the Executive Committee, donors, and the Staff Council.

His Excellency
Mr Ali Khorram
Ambassador
Permanent Representative of the Islamic Republic of Iran
Chairman of the Executive Committee

With regard to Action 2, proposals were made by five working groups under the leadership of the Director of the Division of Resources Management, Mr. Jean-Marie Fakhouri and the Chief of the Programme Coordination and Operations Support Section, Mr. Robert Ashe, assisted by the Chief of Budget Section, Mr. Roberto Meier. These proposals were made after applying a number of restrictive criteria. They provided the basis for Bureau and Division Directors to determine which specific recommendations from Action 2 could be implemented. A number of the proposals were acceptable to all concerned, and a summary is attached as **Annex B**. The details of these proposals will be given back to Directors this week, so that they can move forward with implementation with immediate effect. These proposals, which are now decisions, supersede the original 20% freeze on operations and administrative budgets, and I have requested Directors to provide me with an implementation plan so that the 20% freeze can be lifted.

With regard to Africa, the review proved to be more complicated partly due to the debate over decentralization of the structure (which includes regional directorates in the Field). I have come to the conclusion that this needs a more thorough analysis. Decentralization has its merits, and it is clear that it could lead to a more effective organization, reduced costs and, ultimately, quality protection and assistance activities. However, it could also lead to delays, higher costs and duplication at various levels. I also recognise that moving from a centralized to a decentralized management structure takes its own time.

Another reason for allowing the Africa Bureau more time to review is that there are many good ideas about downsizing and closing down offices while opening or expanding others. These are important matters which need to be looked at carefully. Naturally, I would not consider this exercise to be productive if it was not based on a precise budgetary envelope. Therefore, I have decided that, in line with the percentages of savings in other operations, an amount of US$ 35 million should be realised in Africa as savings. This is composed of US$ 6.5 million in Special Operations (Annex C) and US$ 28.5 million in the other operations (see Annex B). I have asked the Director of the Africa Bureau to develop a more precise strategy – on the management structure and on savings - and to report back to me by the end of April. I consider this overall review on Africa extremely important to define a more precise strategy on the management structure and the budgetary aspects of those operations.

The current budget for Global Operations is US$ 55.5 million. Following an analysis of the expenditure already made and taking into account further inevitable expenditure against a number of earmarked contributions, some US$ 5.8 million can currently be identified as savings under Global Operations. A further review will take place in April, particularly with regard to possible further reductions for 2002.

In reviewing the different proposals, and taking into account the parameters provided in the Action 1 paper, it is clear that there are a number of operations which are useful but which are not core activities for UNHCR, and should therefore not be financed from the limited available unearmarked funds. These operations, which I refer to as Special Operations, will, from now on, be implemented only when additional earmarked funds are assured. As of 1 April 2001, all of these operations (see **Annex C**) will only be implemented after assurance of additional contributions, which must be seen as additional and not detracting from the other operations. Consultations will be pursued with donors on the possibilities for additional funding to allow these special operations to proceed either according to the current budget or according to the revised budget. To the extent that no additional funding

is found, some or all of these special operations will have to be ended, and will therefore represent, technically speaking, "savings" against our approved budgets. This approach implies a revision of UNHCR procedures, which will be developed and communicated concerning the management of Special Operations.

The level of the Operational Reserve will be determined taking into account savings as explained in Annex B. As a standard practice, this accounts for 10% of the programmed activities in the Annual Programme Budget. This does not include the budgets that have been approved under Supplementary Programmes. Therefore, the Operational Reserve available for allocations will now amount to a total of US$ 70.7 million, of which US$ 18.8 million have already been allocated.

Considering the various savings outlined above, together with a reduced level of the Operational Reserve and the financial consequences of the new policy concerning Special Operations, the total savings add up to US$ 100.8 million. There is still an overall shortfall of US$ 34.3 million, under all operations.

I would like, in principle, to see that our Headquarters is housed in one single building. Before coming to a final conclusion on this, we will look into the number of staff at Headquarters and we will explore innovative ways to use the building space. I want to instil a greater degree of discipline in the way we work with consultants and interns. The Director of the Division of Resource Management will report to me by the end of April with some proposals. The limited reductions for Headquarters are indicated in Annex B. Any possible additional reductions will be decided upon later if the "one building plan" can be implemented and, at that time, we will see to what extent this action will produce more savings. I have noted, however, that although we may need to reduce staff further at Headquarters, the number of posts in 2001 (699 posts) is already some 17.3% lower than in 1995 (846 posts). A comparison with the Field shows 4,232 posts in 1995 compared with 4,129 in 2001, a reduction of 2.4%. A comparison in terms of expenditure for 1995 and 2000 shows a reduction for Headquarters from US$ 133.2 million to US$ 89.4 million, or 34.2%. I feel therefore that UNHCR may be close to reaching its optimum size at Headquarters to support the volume and variety of operations and activities.

There are a number of associated human resource issues to be looked into and decided upon by the end of April. The Human Resources Service and the Staff Council will play key roles in this process. The issues include: ensuring that the postings system can work better; finalising the packages for voluntary and/or involuntary separations; submission of an interim report by the Working Group on Rotation; identifying possible additional savings from unfilled posts which remained vacant for prolonged periods; and taking a closer look at the situation of staff-in-between-assignments and who have remained without posts for exceptionally long periods. Of course, with regard to separations, there will also be a cost to pay. I will approach donors for their support in that respect.

The report on Action 3 was presented by the Director of the Division of Communication and Information, Mr. John Horekens on 19 March 2001 and was also reviewed by Senior Management. The report, which will be used in consultations with donors, is attached as Annex D. From now on, the funding of UNHCR will be pursued based on this policy paper. I would appreciate receiving from the Executive Committee an opinion on the funding strategy. At the same time, donors will be approached individually to review their contributions taking into account the specific nature of UNHCR's relationship with the various countries.

Many of the decisions that have to be, and will still be taken, will not be easy to implement. I strongly feel, though, that they are badly required, given the seriousness of our financial situation and also because of the lack of clarity about UNHCR's role in a number of situations. The work undertaken in the context of Actions 1, 2 and 3 has been done under great pressure. I am convinced that the results of this major exercise will put the Organisation in a better shape to pursue its humanitarian work for refugees and other people of concern. I have informed the staff of UNHCR of those actions, and expect that implementation will start shortly.

I will keep you informed of further developments, in particular with regard to post reductions and their impact on staff. In the meantime, I look forward to your views on this initiative, and will welcome any comments you may wish to share. Any comments by members of the Executive Committee and observers of the Standing Committee on Actions 1, 2 or 3 are also welcome.

Accept, Sir, the assurances of my highest consideration.

(Signed) Ruud Lubbers

ACTION 1

Guidelines on Priority-Setting
Core and non-core activities

1. Background

1.1 The gap between approved budgets and actual income over the past few years requires UNHCR to set priorities. This means examining all aspects of UNHCR's activities, both current and planned, and reviewing them in a logical and comprehensive manner. It also means recognising that UNHCR cannot, and sometimes should not, do everything that is proposed by its own offices, by countries of asylum and origin, or by donors. The act of setting priorities will result in some things, which may be considered important by some, not being done.

1.2 In beginning a review of activities, it is important first to categorise activities between core and non-core, it being understood that limited resources must be allocated primarily to core activities. The definition of core activities is:

"A core activity is one for which UNHCR has a central universal responsibility, as contained in its Statute and developed through subsequent General Assembly or ECOSOC resolutions. By its nature, a core activity will have a clearly established link to the international protection of refugees (and stateless persons) or the pursuit of durable solutions. A core activity includes the programme support, management and administration and related costs required to undertake it."

1.3 The identification of a non-core activity does not necessarily imply that it should not be undertaken. However, implementation of a non-core activity is subject to certain criteria, as outlined in paragraph 3 below.

2. Core activities

2.1 The characteristics of core activities can be defined as those which:

- must be undertaken if conditions, such as access and security, allow;
- involve either a high level of direct overall management and/or coordination responsibility for their outcome or ensuring that governments discharge their responsibilities;
- with respect to operational tasks or objectives, are more likely to be comprehensive in scope than selective, partial or a contribution towards activities managed by others;
- involve a UNHCR responsibility for ensuring that minimum standards[1] are met;
- are normally required until UNHCR's involvement is no longer necessary, not arbitrarily time-limited by UNHCR (although the scope of activities could be reduced over time);

[1] Some will be global, others situation specific.

- require certain operating conditions and principles to be met (of which security and access to the beneficiaries are the least open to exceptions).

It should be noted that a core activity does not necessarily have to be actually implemented by UNHCR.

2.2 The table below lists high-level field activities and categorizes them by way of illustration. These should be read in conjunction with paragraph 4 below and the list of parameters attached as Annex 1.

Field activities			
Refugees/Countries of Asylum			
Protection	Legal	Status and interventions, for individuals or groups	Core
		Promotion advocacy/ advice	Core
		Supervision monitoring	Core
	Operational		Core
Material assistance	Towards solution		Core
	Pending solution, to promote protection		Core
Returnees/Countries of Origin			
Protection	Legal (amnesties, rights, etc.)		Core (if limited to returnees)
	Operational (monitoring, interventions etc)		Core (if limited to returnees)
Material assistance	Specific and limited to returnees		Core
	Also to others		Non-core
	Preparation for repatriation		Core
	Not linked to repatriation		Non-core
Any Country			
Capacity building	Legal/Protection Emergency Preparedness Security		Core
	Wider		Non-core
Mobilizing political support	For core activities		Core
	For other activities		Non-core
Mobilizing financial support	For core activities		Core
	For other activities		Non-core
Prevention/solutions not specific to UNHCR (UN/regional peace keeping/building, etc.)			Non-core
UNHCR-related for other Countries	(Sub-) regional management		Both
	Support/administration		Both

2.3 Within the context of core activities, priorities should be determined on the basis of:

(a) acuteness of needs;
(b) gap in national capacity;
(c) existence of partnerships.

2.4 Prioritisation among core activities could be done on the basis of whether non-implementation would be likely to adversely affect:

- the fundamental rights of refugees (status, physical protection, basic rights);
- their life-sustaining needs; or
- the pursuit of a durable solution.

2.5 It is important to recall (see paragraph 2.1) that not all core activities should necessarily be implemented by UNHCR, and that priority-setting must take place even for these activities. In determining the extent and nature of UNHCR's involvement in core activities, the following factors need to be taken into consideration:

- Is there national capacity to carry out the core activities or to meet identified needs?
- Are there national or international partners who have the expertise and resources to implement support protection and assistance activities, or can such partnerships be created?

2.6 If the answer to either of the above two questions is "yes", UNHCR's role should be to:

- Undertake responsibilities which cannot be delegated to others, e.g., relations with governments, particularly on protection issues;
- Manage, coordinate, and oversee the activities of partners. The degree of involvement will depend on the partner's capabilities, and the nature and extent of the problem;
- Create or strengthen capacities of such partnerships and manage a phased and responsible transition.

2.7 If the government is a party to the refugee instruments, has established structures within an effective civil society to handle refugees returnees, and has the commitment and resources to carry out its responsibilities, UNHCR's role should be to:

- Supervise refugee instruments;
- Advise on national laws affecting refugee rights;
- Selectively intervene in precedent-setting cases;
- Advocate for a liberal asylum policy;
- Seek support for global policies/programmes.

2.8 Where capacity is lacking in countries that are parties to the Convention/Protocol but do not have the necessary structures, or where UNHCR has specific responsibility pursuant to national laws, UNHCR's direct involvement in protection activities (e.g., status determination, physical protection and assistance) should be:

- time limited and linked to a desired "end-state";
- tied to capacity-building of national structures;
- as per national law requirements.

General capacity building, in terms of promotion and training on refugee law in countries which are not "high risk", is a core activity but one which should be given a lower priority and carried out, to the extent possible, through partners or with additional resources.

2.9 In countries that have either no or inadequate laws, procedures, structures and resources, UNHCR should give priority to establishing or continuing a presence in:

- emergency situations, because of the immediate, life-sustaining protection and assistance needs; and
- other situations with serious physical protection problems or acute legal protection problems; or
- in order to carry out mandate-related functions such as refugee status determination and resettlement.

2.10 However, even in the above situations, UNHCR should seek partnerships to strengthen coverage and capacity, while retaining its responsibility to oversee and manage the contribution of others, as well as monitor and implement protection as necessary.

2.11 In protracted refugee situations in developing countries, the priorities for UNHCR's involvement should be to:

- promote freedom of movement, right to work, self-sufficiency;
- reduce dependence on UNHCR by promoting national protection structures and integration of refugee assistance in national programmes;
- actively encourage partners/donors to directly assist the government and other national/local institutions to build capacity to handle the refugees;
- support government infrastructure (not parallel refugee specific structures) for a limited time period;
- provide, or encourage others to provide, solution-oriented assistance, such as vocational skills training.

2.12 In countries of origin, UNHCR's priority should be:

- presence to negotiate a safe return, where this is politically feasible and imminent;
- presence to ensure protection monitoring and advocacy on returnee specific issues, such as amnesties as well as other protection issues such as discrimination which could directly affect a sustainable return. Such

monitoring can be done by partners but with adequate supervision and follow up by UNHCR;

- time-limited assistance oriented towards individuals to promote a sustainable return. Partnership will be critical in this area, and longer-term and community-oriented development projects should be carried out by others.

3. Non-core activities

3.1 Some of the characteristics of core activities also apply to non-core, while others clearly do not. Both a strategic and a situation-specific element of choice, linked to a lesser direct responsibility, is inherent in the concept of non-core activities. Factors affecting UNHCR's choice on engagement in non-core activities include:

- the availability of the necessary financial and human resources;
- their relationship to specific core-activities;
- the strength of the humanitarian imperative;
- the wider benefit for the organization (or at least no adverse effect on core activities);
- the relevance of UNHCR's particular expertise;
- the prospects for success;
- the degree of concern expressed by governments, the UN Secretariat and others;
- obligations in the wider UN family context.

3.2 Assuming in particular the availability of the necessary resources and that a decision has been made to undertake them as an exceptional necessity, priority should be given to non-core activities which have:

- a beneficial impact on core activities or a significant relationship to core activities (e.g. return of IDPs to areas where returnees are located);
- relevance to UNHCR's expertise (e.g. protection of IDPs as opposed to assistance without protection and general human rights promotion).

4. Parameters

4.1 Taking the above into account, parameters have been developed in order to guide the scope and duration of UNHCR involvement. These parameters are attached as Annex 1. It is important to note the following:

- The political context of a country operation needs to be taken into account, together with the constraints and opportunities which are often country-specific;
- Some of the parameters provide a limited timeframe for implementation of operations and activities. This is designed to focus the intervention towards solutions. In some cases, the timeframe may not be appropriate and an exception may be made. However, it should be recognised that it is an exception and a time-limited extension of the timeframe should be agreed by all parties;

- Some parameters indicate the need to move towards partnerships with other agencies institutions. These have to be negotiated and agreement reached between UNHCR, the partner, and the government prior to UNHCR stopping its activities. However, the search for partners should be pro-active, based on a clear process and plan with timelines. Perceived difficulties in achieving this should not be used as a reason for not trying or persisting;
- The policy priorities of women gender equality, children adolescents, elderly refugees, the environment, and the safety security of staff and refugees are not singled out as separate activities. These must remain as an integral part of every operation and activity;
- There is a need to balance the level of operations, including "Programme (PG)" staff, with the level of Programme Support (PS). PG should include programme coordination staff. Every effort should be made to keep Programme Support costs at as low a level as possible. Programme Support in excess of 20% of a country budget should be justified with an appropriate explanation;
- The implementation of any activity must be done in the most efficient and cost-effective manner. The establishment of objectives and outputs with indicators and timelines is an essential element to be able to measure success in these areas. These aspects relating to UNHCR operations must be kept under constant review to ensure that contributions from the international community are well-spent and that they result in greater impact for UNHCR's beneficiaries;
- As mentioned in paragraph 2.5 above, even core activities must be subject to priority-setting in view of limited resources. The implementation of non-core activities should not be at the expense of core activities, and these should bring in additional funding as well as complement core activities, as outlined in paragraphs 3.1 and 3.2 above;
- When engaging in repatriation operations, the distinction between returnee operations and reintegration is sometimes blurred. While the parameters provide some guidance, short-term assistance to communities within the context of A.4 may be appropriate in some circumstances.

4.2 The parameters attached as Annex 1 will not cover every conceivable situation in which UNHCR may need to get involved. Where they do not, they should be applied in a way that takes account of the overall context of the operation. As UNHCR develops more experience in the use of parameters and in setting priorities, these parameters will be revised as necessary.

Annex 1

Categories of Operations/Types of Activities and Parameters

No:	A. Categories of Operations	Core	Parameter
A.1	Emergency refugee operations	Yes	Where possible, intervention packages by other agencies should be negotiated for specific sectors, but these should still be coordinated by UNHCR.
A.2	Search for solutions in stable refugee situations	Yes	The time taken in the search for solutions after an emergency operation has ceased should be limited to three years. Thereafter, the operation will be considered as protracted.
A.3	Protracted refugee operations	Yes	There should be an in-depth programme review after three years with emphasis on protection, pursuit of durable solutions, and phase-out of those sectors which should be undertaken by others within the context of national programmes. In case of justified reasons for activities beyond three years, there should be an annual review with the same emphasis and a clear description of impact of non-continuation.
A.4	Voluntary repatriation operations to, and in, countries of origin (defined as short-term activities which focus on individual returnees, but where short-term assistance to communities may be appropriate in some circumstances)	Yes	Assistance should be limited in time and aimed at ensuring the sustainability of individual returns. Protection should focus on the re-establishment of effective national protection or at least equal access to protection for returnees on the same basis as other nationals.
A.5	Local integration operations for refugees in countries of asylum	Yes	(1) The government must agree that assimilation into the national community is permitted. (2) It should be undertaken in coordination with development agencies. (3) The active period of UNHCR financial support should normally be limited to 18 months (any extension should be subject to regular reviews).
A.6	Supervision of implementation of the 1951 Convention	Yes	This should be done with guidance from DIP and the Bureau concerned. However, where there is no country presence for other reasons, this should be done through a regional presence.
A.7	Protection advocacy and public awareness	Yes	Where there is no country presence for other reasons, this could be done through regional presence in agreement with the Bureau concerned, DIP and DCI.
A.8	Urban caseloads	Yes	Linked to B.3 below. UNHCR's involvement should be protection-focused, solution oriented, and short-term for assistance.
A.9	Reintegration operations (defined as longer-term development activities which are not necessarily limited to returnees and which focus on communities and infrastructure, rather than individuals)	No	If an exception is made, then (1) additional funding should be guaranteed for the duration of the operation; (2) it should be undertaken alongside, and in coordination with, development agencies; (3) it should be limited in time to a maximum of 18 months.
A.10	IDP operations	No	If an exception is made, then (1) it must be on the basis of IOM 87/FOM 91/97, as supplemented by the March 2000 Position Paper on IDPs; (2) additional funding should be guaranteed for the duration of the operation.

No:	B. Types of Activities	Core	Parameter
B.1	Promotion of accession to international refugee and statelessness instruments	Yes	Where there is no country presence for other reasons, this should be done through regional presence.
B.2	Advice on national legislation or intervention in precedent-setting court cases	Yes	This should be done with guidance from DIP and the Bureau concerned; where there is no country presence for other reasons, it should be done through a regional presence.
B.3	Involvement in individual refugee status determination (RSD)	Yes	This should be done only if the country has not established RSD procedures under the Refugee Convention, or where national law requires UNHCR participation, or DIP and the Bureau concerned consider it necessary.
B.4	Direct involvement in the protection of individual cases (e.g. admission, release from detention, mistreatment, family reunion)	Yes	This should not be done in countries that are parties to refugee instruments and have effective national institutions for refugee protection, unless DIP and the Bureau concerned consider involvement necessary. In other countries with small caseloads, monitoring arrangements should be made e.g., with staff placed under UNDP or under agreement with an NGO or another institution, with supervision carried out by a UNHCR regional office.
B.5	Protection advocacy (on government policy/practice/national laws)	Yes	Unless DIP and the Bureau concerned consider country presence necessary, this should be done through a regional office.
B.6	Resettlement activities	Yes	This should be done with a focus on UNHCR resettlement criteria and ensuring capacity to apply criteria and integrity of process. Large-scale resettlement operations should be funded by the resettlement countries, but coordinated by UNHCR.
B.7	Registration activities	Yes	With appropriate protection of data.
B.8	Keeping in close touch with governments, inter-governmental organizations and international NGOs	Yes	This is primarily a centralised activity at Headquarters (exceptions being UN Headquarters in New York, presence of regional bodies in Addis Ababa, Brussels, etc.).
B.9	Coordination of the refugee-related activities of other agencies	Yes	This is largely a decentralised activity undertaken in each country/regional office.
B.10	Funding other agencies to implement refugee-related sectoral activities	Yes	(1) If funding of agencies can be arranged directly between a donor and an agency, this should be encouraged with UNHCR retaining its coordination role, which should be recognised formally in a bilateral agreement. (2) When UNHCR funds an agency, this must be a more cost-effective arrangement than doing the activity itself.
B.11	Fund-raising activities	Yes	There should be no office presence for this purpose alone, unless this is considered necessary by DRRM and PSPA and it can be demonstrated that it makes a difference.
B.12	Public information and public awareness activities concerning refugees	Yes	There should be no office presence for this purpose alone.
B.13	Protection-related capacity-building, including support to host governments.	Yes	(1) There should be a demonstrated lack of capacity in a specific protection-related area; (2) It should be time-limited to a maximum of three years.

Action 1 -- Priority Setting: Core and non-core activities

No:	B. Types of Activities	Core	Parameter
B.14	Headquarters activities	Yes	The focus should be on the following activities: (1) Defining strategy, policies and direction for Operations (protection and assistance), external relations, resource management, and emergency preparedness and response. (2) Global monitoring and reporting. (3) Fundraising. (4) Resource management: control and support functions for financial, human, material and technical resources. (5) Global public information, public awareness and publications. (6) Management of emergency standby and response resources. (7) Oversight (Inspection, Evaluation, Investigation and Audit). (8) Inter-agency relations. (9) Support to ExCom and other statutory bodies. (10) Global purchasing. To the extent feasible and cost-effective, outposting and outsourcing possibilities should be pursued.

Annex B

Results of the Action 2 Review

Budget Summary

(in millions of US dollars)

	Annual Programme (AB) approved by ExCom & Supplementary Programmes (SB) & Regular Budget (RB)		Current Operating Budgets at March 2001		Savings		Revised Budget	Projected Contributions
FIELD								
	(a)		(b)		(d)		(e) = (b) - (d)	(f)
Africa	311.3		309.1		28.5		280.6	188.3
Asia	49.5		49.4		4.5		44.9	46.9
Europe	65.3		63.3		6.8		56.5	21.1
South Eastern Europe	138.8		139.0		26.8		112.2	92.1
The Americas	21.3		20.4		1.8		18.6	6.4
CASWANAME	78.1		81.1		5.2		75.9	42.6
Sub-total Field	**664.3**		**662.3**		**73.6**		**588.7**	**397.4**
Global Operations	49.5		55.5		5.8		49.7	31.7
Headquarters*	93.4		94.9		1.0		93.9	53.5
Sub-total Programmed Activities	**807.2**		**812.7**		**80.4**		**732.3**	**482.6**
Junior Professional Officers	7.0		7.0		0.0		7.0	12.3
Annual Programme Trust Funds (AT)	1.3		1.6		0.0		1.6	1.4
Operational Reserve	79.3		65.3	(2)	8.6	(4)	56.7	20.3
Special Operations (see Annex C)	59.9		56.9		11.8		45.1	25.0
Unrestricted and Broad Contributions								266.9
TOTAL UNHCR	**954.7**	(1)	**943.5**	(3)	**100.8**		**842.7**	**808.5** (5)

Notes

(1) ExCom approved Annual Programme Budget of US$ 898.5 million + Supplementary Programmes of US$ 56.2 million (including US$ 1.0 million for Global Consultations)

(2) Balance of Operational Reserve after allocations approved by the ORB (US$ 4.8 million approved but not yet recorded in the various regions)

(3) Current operating budgets as per appropriations recorded in the FMIS on 13/03/01 (including Supplementary Budgets of US$ 48.2 million)

(4) Programmed activities under AB reduced by US$ 85.7 million; this translates into a 10% (or US$ 8.6 million) reduction against the Operational Reserve, leaving a total for the Operational Reserve of $ 70.7 million, of which $ 18.8 million has already been allocated.

(5) DRRM Projected income as of 22/01/01, including projected cancellations of unliquidated obligations estimated at US$ 21 million, projected interest estimated at US$ 4 million, and carry-over from 2000 of US$ 67.7 million.

Annex C

SPECIAL OPERATIONS To be funded only by additional earmarked contributions (in millions of US dollars)				
REGION / Country	**EXCOM**	**Current budget**	**2001 proposed Bureau savings**	**Revised Budget**
	(a)	(b)	(c)	(d) = (b)-(c)
(1) Annual Programme Budget				
EUROPE				
Azerbaijan	4.1	4.1	0.5	3.6
Russian Federation (Chechnya IDPs only)	8.1	8.1	4.4	3.7
Sub-total Europe	12.2	12.2	4.9	7.3
CASWANAME				
Western Sahara	0.6	0.6		0.6
AMERICAS				
Colombia	4.1	4.1	0.3	3.8
ASIA				
Sri Lanka	6.8	6.8	0.1	6.7
Sub-total (1)	**23.7**	**23.7**	**5.3**	**18.4**
(2) Supplementary Programme Budget				
AFRICA				
Angola	11.5	10.2	6.5	3.7
Eritrea	24.7	23.0		23.0
Sub-total (2)	**36.2**	**33.2**	**6.5**	**26.7**
GRAND TOTAL	**59.9**	**56.9**	**11.8**	**45.1**

There will be consultations with donors to look into the possibilities for additional funding to allow these special operations to proceed either according to the current budget or according to the revised budget. To the extend that no additional funding is found, some or all of these special operations will have to be ended.

Annex D

UNHCR's Strategy for Resourcing the Organisation: A New Approach to Funding

1. Background

UNHCR was created in 1950 with a unique mandate for the protection of refugees. As a global, multilateral institution set up by the international community, the Office has demonstrated its relevance with regard to protection and in finding solutions to the problems of refugees, and of other categories of persons. In 2001, fifty years after its establishment, the number of refugees and persons in comparable situations continues to be very high. There is no indication that the problem of forced or provoked displacement (with an estimated 23 million people today) is likely to be contained or to decrease in the near future. Enormous levels of funds are spent every year by governments around the world, either in cash or in kind for refugee status determination procedures, for material and social assistance, for resettlement costs, for the reception, sheltering, feeding, etc. of refugees. Much of that money allocated by States could go to prevent the displacement of people in often tragic and miserable conditions. The state of today's world does not suggest that UNHCR, as an organisation, can be considered as having outlived its usefulness, much the contrary.

It is important, nevertheless, that the institution be reviewed, both in respect of its profile (the role and relevance of UNHCR) and of its scale (size and content of the Organisation) in relation to the world's refugee situation in 2001. In doing so, an important element to keep in mind is the basis on which UNHCR's work is founded: the 1951 Convention relating to the Status of Refugees. Signatory States are obliged to adhere to the Convention's principles, including to support the Organisation in the exercise of its functions as regards its duty to monitor the Convention's application. In that sense, UNHCR deserves the full support of the international community, in particular of all countries signatory to the 1951 Convention on refugees and committed to the application of its Article 35. As an institution, the Office fulfils a variety of functions:

- advocacy: to convince States to sign the 1951 Convention and adhere to the internationally agreed framework of principles;
- legal: to promote the positive development of refugee law;
- capacity-building: to help countries develop their legislative and asylum systems;
- humanitarian action: to assist and protect refugees and to help countries of asylum/return to receive and protect refugees and returnees;
- preventive action: to help avoid refugee fluxes;
- durable solutions: to identify and promote solutions for refugees.

As a multilateral humanitarian institution, UNHCR can be seen also as an instrument of international development, assistance and co-operation.

At the beginning of his tenure, the new High Commissioner launched a review of the Organisation, to determine its core business; to assess the shape and content of the Office; and to examine ways of ensuring the Organisation's adequate funding. Those tasks have been commissioned to three small internal teams: Action 1, Action 2 and Action 3. Based on the conclusions reached by groups Action 1 and Action 2, Action 3 examines criteria for the design of

global multilateral institution. This paper attempts at making the point of the responsibility, indeed the obligation, of States to support the work of the UN High Commissioner for Refugees and his Office. It also considers a number of options that can be used as guidance for the strengthening of partnerships with donors, both in terms of overall funding and of support to programmes which are of specific interest.

Voluntary contributions from governments and inter-governmental bodies are the main source of income for UNHCR (90% of total "fresh" contributions in 2000, or US$ 705.3 million). They come from a narrow donor base whereby 6 donors contribute 75% of all voluntary contributions, and 10 donors 90%. The remainder consists of contributions from other governments and from the private sector, as well as an allocation from the United Nations Regular Budget (US$ 20.3 million in 2000).

Significant, sustainable and predictable funding for UNHCR requires a more systematic approach to donor countries and inter-governmental institutions and to the private sector, in the wide sense. This approach has to be premised on the economical potential of donors particularly where this potential has not clearly been made available, or shown to be available, to refugee programmes. In the light of constant and rising needs, UNHCR has to upgrade its ambitions in funding. But it has to be recognised that government financing results from bilateral negotiations with interlocutors who do not necessarily share common views on priorities set by the Organisation. The increase in contributions is more likely to be a one-to-one consultation than a collective agreement, for reasons mostly of domestic nature. This consultation will benefit from the growing awareness that countries have a clear interest in a UNHCR that can effectively take care of refugee problems. States, therefore, in particular the OECD countries, have an interest in funding UNHCR.

Even though funding of the institution *per se* should theoretically not be tied to specific donors' interest, it is unlikely that such funding will be un-earmarked. Donors will continue to manifest interest or support in specific areas, for domestic or bilateral reasons. UNHCR's challenge is to make best use of those earmarkings, and guide donors in their formulation. In doing so, UNHCR should increasingly make it clear to States that it is in their interest, in terms of good governance, to have a globally effective UNHCR, thus further making the case for financial support for UNHCR.

An approach to funding through an assessment of contributions (as in certain bodies of the United Nations) was examined during the Action 3 review. It was not retained as a strategic option, in the short term. In addressing funding issues, and ensuring they have a proper link with budgeting, we will undoubtedly have to review our budgetary concepts and presentation (the unified budget, trust funds, core/non-core activities, categorisation of priorities). We have to be able to address governmental sources and non-traditional donors for which the UNHCR budgets and reports are not practical or even relevant.

2. Immediate funding concerns: 2000 and 2001

UNHCR's initial budget for the year 2000 was of US$ 965.3 million including UN Regular Budget and Supplementary Programmes (the Annual Programme budget approved by ExCom in

October 1999 was US$ 933.5 million). The expected income, in contributions and other income was foreseen at the level of US$ 750 million initially, and later in May 2000 increased to US$ 819 million. Final figures show a total obligation for 2000 of US$ 782 million, with an income of US$ 842 million (of which $ 705 m. in contributions, $ 86 m. in carry-over from 1999, $ 51 m. in cancellations of prior years' obligations and miscellaneous income).

Although financially this is sound, it is not healthy in programme terms: many activities were not implemented because of late announcements. The initial budget for 2001 is US$ 954.7 million as per the Global Appeal, including its addendum and the UN Regular Budget. It is likely that, with a projected income of US$ 808.4 million, the Office will face the same sort of difficulty that it did in 2000. There is a need to review the funding and budgetary mechanisms to escape the spiral of a chronic shortfall. At the beginning of the programme year for 2001, a decision was taken to freeze spending at 80% of the value of the approved budget. This will mean that, again in 2001, a significant portion of planned activities will not be undertaken, resulting in hardship for refugees and other displaced persons, and in continuous pressure on UNHCR offices and implementing partners to manage financial shortfalls. Action needs to be undertaken in the first half of 2001 to ascertain the level of income for this year, and launch initiatives that could lead to an increase of that projected level.

The High Commissioner and senior staff have already initiated a series of consultations with a number of major donors as well potential donors. Selected donors will be approached by the High Commissioner and his senior colleagues with tailored information to provoke a review of the countries' position vis-à-vis financing UNHCR (including figures on financial returns to the donor country, e.g. cost of national staff, procurement, NGOs). The national interest of all countries in having an effective UNHCR, with a strong sense of co-ownership, will be clarified as well.

The top two donors will be encouraged to maintain the level of their contributions, by explaining that all donor countries will be invited to contribute at least one US$ per inhabitant per year. A special consultation will be undertaken with the European Commission and the EU Member States (see 3c hereafter), to build a closer relationship, based on the interest the EU and the EC have in an effective and strong UNHCR.

A fund raising strategy for the private sector is being elaborated, particularly through the strengthening of National Associations whose main performance objectives will be linked to increased income for UNHCR.

3. UNHCR's funding structure

(a) An assessment of contributions

The new approach to resourcing UNHCR is about bridging the gap between the current level of support, representing today's reality, and the "normative" – or the volume of resources that UNHCR, as a multilateral institution of interest and relevance to the international community, should expect to receive from States. The starting point in a reasoning that suggests a form of

assessment of contributions (as opposed to strictly voluntary contributions) is that UNHCR is mandated by the General Assembly with a unique responsibility for the international protection of refugees. Hence there is a "formal", as well as moral and financial obligation for Member States to support the High Commissioner's Office. The European Union - Member States and European Commission - is a particular case, as both the Commission and the States contribute to UNHCR.

Benchmarks for determining financial contributions from States to UNHCR can be developed following an assessment of their "potential". This could be based, for example, on their economic wealth or on their population size. One could consider that as a minimum all countries with a wealthy economy should contribute to UNHCR US$ 1 million per million inhabitants, with a minimum of 0.005% of the GNP. Such a minimum would of course not exclude higher contributions. The "assessment" could also be linked to States being party to the 1951 Convention, or being Members of the Executive Committee, or Observers of the Standing Committee of the High Commissioner's programme. The level of such voluntary contributions would correspond [in 2000 figures] to some US$ 1,021 million (representing $ 874 m. in normative contributions plus $ 147 m. additional contributions from the more generous donors). This total figure is roughly 50% higher than the current $ 705 m. [2000] level of contributions).

The aim in developing this strategy is to work with the current level of contributions to address the Office's essential, core responsibilities, and gradually improve that level towards the normative figure to address also other activities, related to UNHCR's concerns, but for which current funding is not sufficient. Such an assessment model may be difficult for donors to realize in the short term, but could be promoted as the Office develops the links between the budgeting and funding exercises. This wider burden sharing mechanism will also have a better chance of being accepted if seen as of interest to countries, rather than being an obligation.

The annexed table shows the normative levels per country and in total, for what has to be achieved in comparison with the actual levels of contributions in 2000. One would have to underline that these are minimal figures, and that the approach should not be a deterrent to major donors with the unwanted result of stabilizing or reducing their contributions. Rather, it has to be seen as an incentive for donors low on the list to provide greater support. The figures are thus useful in providing an argument for negotiating substantial increases in contributions from the weaker group of donors.

(b) Comprehensive and negotiated approach

The concept of negotiated voluntary contribution was initiated by the Swedish government in 1998, and has since then been adopted by the USA, Ireland and Belgium (and the UK in the near future). It entails that an annual contribution is discussed globally at the beginning of the year, and consigned in a type of formal agreement between the donor and UNHCR. The resulting agreements do not preclude the possibility of individual funding from donors for emergencies.

(c) The European Union and its Commission: a special case

In light of the special nature of the EU, as a result of the transfer of competencies and financial resources to the European Commission, the co-ownership of the EU represents a special case which may need to be given concrete shape and substance in the EC-UNHCR partnership. This concerns both the role of the EU and its Commission in the governance structure of UNHCR as well as the funding relationship. The strategy for funding from the European Union is essentially based on three goals: increased funding, greater predictability and procedural flexibility. These goals are very much intertwined. A move towards programme funding by the EC instead of detailed project approvals would therefore be key, as well as annual envelopes of pre-positioned

funds based on a "fair share" and a clear recognition of UNHCR's added value as a multilateral institution. The "fair share" indicator based on population or GNP figures could indicate a target for the EU as a whole, of which the Commission could be expected to bear part of the burden, given its increasing importance both in terms of finances and decision making. This "matching" would reinforce the objective to draw the Commission closer to an overall EU co-ownership of UNHCR with the States and its commitment to the 1951 Convention. In funding terms, the aim would be to draw increasingly from all available EC funds, based on a political commitment from the EU as a whole. Practical steps are being taken to address some of the procedural incompatibilities between the EC and UNHCR. At the same time, relations with NGOs and some of the EC concerns towards UNHCR need to be discussed in a frank and open manner.

(d) Private sector

UNHCR has some experience in dealing with the private sector, but it has not been structured or methodical enough. Income from non-traditional sources has varied widely from region to region and from year to year. The four key areas or constituencies we should be addressing are:

1. companies that are interested in helping UNHCR and participating in our work (the "funder-supplier" model);
2. companies that can contribute to UNHCR in specific situations where both they and UNHCR operate (e.g. oil companies in the Caucasus);
3. private citizens through National Associations; and
4. wealthy individuals.

A strategy is being formulated which will be implemented under the guidance of a strengthened private sector service at Headquarters.

(e) Partnerships

Partnerships can be further developed and strengthened with the objectives of:

- increasing the level of resources reaching refugees and returnees by mobilising the support of agencies that are better placed to deliver the appropriate services (i.e. to coordinate fund raising in a broader resource mobilisation exercise for the benefit of refugees);
- enhancing advocacy and awareness of the refugee cause;
- improving protection available to refugees; and
- obtaining durable solutions for refugees in the long term.

For each envisaged partnership, criteria have to be developed by establishing a framework for different settings - in countries of asylum; in countries of origin; for emergency situations and for chronic refugee programmes. UNHCR would concentrate on core activities related to its original mandate, including activities that offer leverage in negotiations with receiving governments. The question of whether life saving activities should be systematically included in UNHCR budget deserves being addressed.

Non-core activities would be the subject of specific negotiations with individual agencies whereby UNHCR would retain, on the public front, only an advocacy role. This would imply a clear cut definition of partners' potential, roles and comparative advantages, as well as their association in the planning exercise for any given refugee and returnee operation.

Fundamental pre-requisites in the development of partnerships in the long-term will entail increased joint strategic planning in 2002 similar to the pilot projects being conducted during February 2001 in Thailand and Zambia. Such an obligation would be reinforced through strict

instructions from the High Commissioner to all field operations. In the immediate term, all potential partners should already be affiliated in contingency planning exercises.

There are essentially three categories of organisations with whom UNHCR can develop strategic partnerships:

Non-Governmental Organisations (NGOs): there is a need to bring recognised and efficient NGOs as full partners in the strategic planning process. UNHCR must be prepared to consider direct government funding to NGOs for sectors of assistance not immediately relevant to the Office's core mandate. On the one hand, this procedure requires clearly defining which assistance activities are key to reinforcing UNHCR's mandate, and hence be funded through UNHCR, and on the other hand recognising those assistance activities that will be "outsourced". It is important to underline UNHCR's protection, operational and financial role in coordination. This could be the case for a limited period of time after which NGO partners would be funded directly by donors, if so required.

UN Agencies: in addition to the existing agreement developed with WFP, operational cooperation models should be sought with UNICEF (in education programmes), with UNDP, with UNOPS, and with WHO (on reintegration and other long-term services in countries of origin). The relationship with OCHA in complex emergency situations has to be strengthened (in particular through closer adhesion in the Consolidated Appeal Process). The bilateral approaches of individual agencies have to come together as a true multilateral effort.

Bilateral aid agencies and network partners: there are currently a number of initiatives being conducted by various sections of the Office with this category of partners. This urgently calls for a greater collaborative effort in exploring the potential for complementary funding in reintegration programmes with the World Bank, the Japan International Co-operation Agency (JICA), USAID, and the Swedish International Development Agency (SIDA).

4. Communication strategy for funding

As UNHCR approaches new avenues in raising funds, it is important that its messages are clear, consistent, and formulated in an appropriate manner at the appropriate time. Fund raising is coordinated within the Division of Communication and Information, but it is the responsibility of all UNHCR Officers to help with the collection of funds. This is done, first and foremost, through the promotion of high-quality performance, which convinces donors of the importance to support UNHCR as an effective, relevant multilateral institution.

Geneva, March 2001

Theoretical Assessment of Contributions to UNHCR 2000 Budget (OECD Members)

in US$ millions

	Country	Theoretical Contribution on a base of $ 1 per inhabitant	Theoretical Contribution 0.005% of GNP	Normative Level	Current level	Additional needed	Additional existing
	1	2	3	4	5	6 (4-5)	7 (5-4)
1	Australia	18.80	19.35	18.80	11.22	7.58	
2	Austria	8.10	10.835	8.10	0.75	7.35	
3	Belgium	10.20	12.95	10.20	3.80	6.40	
4	Canada	30.30	29.045	29.05	16.92	12.13	
5	Czech Republic	10.00	2.65	2.65	0.04	2.61	
6	Denmark	5.30	8.76	5.30	37.42	0.00	32.12
7	Finland	5.20	6.255	5.20	11.15	0.00	5.95
8	France	58.80	73.27	58.80	8.09	50.71	
9	Germany	82.00	108.99	82.00	15.14	66.86	
10	Greece	10.50	6.17	6.17	0.30	5.87	
11	Hungary	10.10	2.285	2.29	0.03	2.26	
12	Iceland	0.28	0.38	0.28	0.00	0.28	
13	Ireland	3.70	3.465	3.47	2.52	0.95	
14	Italy	57.60	57.85	57.60	10.56	47.04	
15	Japan	126.40	204.455	126.40	99.77	26.63	
16	Korea, Republic of	46.00	19.94	19.94	1.10	18.84	
17	Luxembourg	0.40	0.96	0.40	0.50	0.00	0.10
18	Mexico	96.00	18.405	18.41	0.10	18.31	
19	Netherlands	15.70	19.455	15.70	47.92	0.00	32.22
20	New Zealand	4.00	2.77	2.77	0.95	1.82	
21	Norway	4.40	7.6	4.40	40.51	0.00	36.11
22	Poland	39.00	7.565	7.57	0.04	7.53	
23	Portugal	9.90	5.32	5.32	1.75	3.57	
24	Spain	39.30	27.76	27.76	2.17	25.59	
25	Sweden	8.90	11.325	8.90	41.95	0.00	33.05
26	Switzerland	7.10	14.205	7.10	14.56	0.00	7.46
27	Turkey	63.00	10.025	10.03	0.25	9.78	
28	United Kingdom	59.10	63.215	59.10	30.50	28.60	
29	United States of America	270.30	395.15	270.30	245.23	25.07	
	Total	**1.100.38**	**1.150.41**	**874.01**	**645.24**	**375.78**	**147.01**
	Total EU 15	347.70	416.58	354.02	214.52	242.94	103.44

Normative level	874.01	Current level	645.24
Additional existing	147.01	Additional needed	375.78
Total	**1.021.02**	**Total**	**1.021.02**

This table presents a comparison of the current (2000) contribution (Col. 5) of the OECD countries (Col 1) with the lowest of the two theoretical figures relative to population or to GNP (Cols. 2 & 3). Those figures are shown under the normative column (Col. 4). The table also shows the difference between current and normative level figures, either in additional contributions needed to reach the normative (Col. 6) or in excess contributions from some countries who are strong financial donors to UNHCR (Col 7). Figures show that a total of US$ 1 021 02 could be expected in application of the theoretical assessment of minimum contributions (normative) whilst maintaining the strong support of some countries (additional existing).

Note 1: UNHCR 2000 Budget: US$ 945.0 million excluding UN Regular Budget of US$ 20.3 million.
Note 2: Total contributions in 2000 is US$ 705.3 million (OECD members + other donors, including private sector).

B. Letter of 31 May 2001

31 May 2001

Sir,

On 4 April 2001, I shared with you an update on Actions 1, 2 and 3, highlighting the progress made in the process, and conveying preliminary decisions which had been taken. I would like to share with you now the final conclusions of this process which started in early February.

- **Action 1:** defining our core activities; focusing on protection; examining UNHCR's assistance and emergency capacity, the role of UNHCR staff in carrying out our mission, in coordination, and in reaching out to partners.

The results of Action 1 were attached to my letter of 4 April 2001 as Annex A. As I mentioned then, "..once the Action 1 paper has been tested again on the 2002 programme review, I am prepared to review this final paper on Action 1 in light of comments that I may receive from the Executive Committee, our donors and the Staff Council." To date, no specific requests to change the outcome of Action 1 have come to my attention. The comments I received were from some donor countries and were generally positive, although there were some queries about the criteria for categorisation. These included support for the prioritisation of our activities in "core" and "non-core" categories, the latter including what we now refer to as Special Operations. I have therefore decided to endorse the results of Action 1 in the current version of the paper. I do expect, however, further comments from some members of ExCom.

- **Action 2:** addressing immediate concerns, mostly in terms of savings; on the basis of priorities established in Action 1, recommending how best UNHCR can operate within the projected income for 2001.

As indicated in Annex B of my letter of 4 April 2001, savings of US$ 100.8 million were initially envisaged as a result of Action 2. Upon receiving and considering the implementation plans submitted by Departments, Divisions and Bureaux, this figure went down to US$ 95.0 million which corresponds to about 10% of the Annual Programme Budget approved by the Executive Committee of US$ 898.5 million (including JPOs and

His Excellency
Mr Ali Khorram
Ambassador
Permanent Representative of the Islamic Republic of Iran
Chairman of the Executive Committee

Regular Budget) combined with the revised budget for Supplementary Programmes of US$ 49.3 million. The new revised budget for 2001 now stands at US$ 852.9 million (Annual Budget of US$ 808.3 million [including JPOs and Regular Budget] and Supplementary Programmes of US$ 44.6 million; see also Annex attached, based on figures as of 15 May 2001). Even before Action 2, some savings had already been realised against the 2001 budgets because the current budget, from which Action 2 reductions have been made, already stood at some US$ 7.0 million less than the approved budgets.

I consider that the realisation of 10% savings of the ExCom approved Annual Programme Budget and Supplementary Programmes is a remarkably good result. Tremendous efforts have been made by all staff to meet the goals I had set in April 2001. Although this will have an impact on operations and individual staff members, I am convinced that these interim constraints should ultimately translate into a positive impact on the refugees and other people of concern to our Organisation.

UNHCR's total projected income for this year is currently estimated at US$ 809.4 million. This means that at this moment we still project a funding shortfall of some US$ 43.5 million in 2001. This is a result of the fact that we were not able to secure additional savings from the Special Operations, which are, in the most part, projected to be fully funded through earmarked contributions. Although we shall take steps to encourage donors to contribute to reducing this shortfall further, we will have to manage it by limiting the use of the Operational Reserve and by pursuing cautious implementation rates throughout the rest of the year. In the meantime, I have decided to lift the 20% freeze, which had earlier been imposed on all operations, and maintain our level of activities within the revised budget of US$ 852.9 million.

On Africa, I confirm that the process of decentralisation will continue in the three Regional Directorates of West Africa, Southern Africa, and East and Central Africa. As for the management of the Great Lakes Operations, a temporary arrangement has been introduced, pending the development of a well-defined management structure, with the appointment of a Coordinator currently based at Headquarters.

Although Action 2 was originally about 2001, but with implications for 2002, I have decided to also address, in one stroke, the situation in 2002. This means that to the original goal of Action 2, i.e. addressing the immediate concerns for 2001, I have added a recommendation on how best UNHCR can operate within the projected income for 2002 based on the priorities established in Action 1. It will reflect that savings for 2001 will have implications for 2002. Here, however, I wish to clarify that the implementation of Action 2 for 2002 will coincide with other measures that are not related to the specific process of the three Actions. I make particular reference to normal phase-down measures already planned for the year 2002 in two major operations, namely Timor and South-Eastern Europe.

Looking at the projected income and taking into account the needs in the field, the current best estimates for next year would be a budgetary target of some US$ 825 million. By continuing the direction of Action 2 in 2002 we will be able to have in that year a balance between the budget and the projected income. If we compare the initial budget for 2001 of US$ 954.9 million with US$ 825 million, this means a reduction of US$ 130 million, which is about 14%.

The total number of posts will go down from 4,828 to 4,065 (see details below). This corresponds to some 760 less posts representing roughly 16% of the total number at the beginning of 2001. If we compare the above figures, one could say that some additional funds, which would have otherwise been spent on staffing, will be available for operations.

With regard to Headquarters, I mentioned that the reduction of posts from 1995 to 2001 was 17.3%. In April this year, we took another look at Headquarters with a view to attaining the "one building ambition". The survey concluded that further reductions were not possible except in a very limited way. Therefore, I feel that the capacity of Headquarters to undertake centralised tasks and to support operations has reached the lowest possible level.

This fact is not only relevant to Headquarters but to the entire Office. A budget of US$ 825 million in 2002 proves to be the absolute minimum for a credible UNHCR given the current scope of our activities. In respect of my objective to "reculer pour mieux sauter", this means that in 2001 we will have reached the end of "reculer" and, from there on, we will move to the "sauter" phase.

This concludes the budgetary implications of Action 2 for 2001 as well as for 2002.

At this juncture, I would like to explain the staffing implications of this exercise. As at 1 January 2001, the total number of posts - excluding JPOs - was 4,828 (including 699 at Headquarters). This figure will be 4,230 at the end of 2001 (with 689 at Headquarters). In 2002, this number will be reduced by approximately 341, which will be partially offset through the creation in 2002 of some 176 new posts pending the approval of overall staffing levels for 2002 by the annual session of ORB. Therefore, the preliminary net post discontinuations in 2002 is envisaged at 165; bringing the total number of posts at the end of 2002 to approximately 4,065 (with 688 at Headquarters). Of course, this is subject to further changes that may occur due to new refugee situations, which cannot be foreseen.

Evidently, the most difficult part of this exercise is when we come to deal with individual staff situations. As a result of "right sizing" measures, some 582 staff members will be affected by post discontinuations in 2001. This number comprises 460 staff in the General Service category and 122 in the Professional category. We have been pursuing a number of time-limited proposals - which will be resorted to only if Management is unable to offer new assignments - that will help mitigate the impact of post cuts on individual staff. These proposals, comprising an Early Retirement Programme, and a Voluntary Separation Programme for General Service staff, are now with the Joint Advisory Committee for review, with recommendations expected by mid-June.

In addition, certain other short-term processes which would facilitate matching staff with positions and which will address backlogs at various phases in the posting process, are being analysed under the leadership of the Deputy High Commissioner. The measures are being considered in order to provide a good starting point for the next steps in addressing obstacles in our postings system.

Still, a substantial number of staff must be separated. I regret this very much. It is a consequence of a fragile funding base together with the ending of a few big operations. From here on, we have to build for the future. We can do it in a credible way only if it is handled in a dignified way. I have asked all managers at all levels to take very seriously the importance of informing and providing support and advice to staff members under their supervision and whose posts are being discontinued in the coming months.

- **Action 3:** addressing fund raising in the broadest sense; reviewing adequate funding mechanisms for a global multilateral organisation; focusing on the weight and potential of traditional and other donors; considering partnerships for undertaking activities of direct or indirect concern to UNHCR; and making proposals to address the immediate problem of funding the Office's programmes in 2001 and 2002.

It would be unwise to expect that the results of Action 1 and 2 – which I hope will give donors regained confidence in an effective UNHCR – will translate, through Action 3, into substantially increased contributions already in 2001. However, I have been, and will be, conveying to major and other donors the importance of considering a minimum level of contributions to UNHCR, commensurate with the responsibility given to this multilateral institution created to ensure international protection of refugees. Since the beginning of this year, I have personally undertaken a number of high level contacts with donors, and I am confident that continued and expanded support will be forthcoming. In prioritising our activities, in developing effective partnerships, in focusing on our comparative advantages, UNHCR will draw greater ownership from the international community in its humanitarian efforts.

The three Actions are inter-linked and support each other. They are intended to facilitate a larger strategic direction aimed at improving the quality of our programmes and making this Office more effective and better prepared to carry out the mandate given it by the international community.

At this point in time, we base ourselves on a budget and projected funding of approximately US$ 825 million for 2002. However, I do trust that Members of the Executive Committee and Observers of the Standing Committee, and particularly the donors, will respond to our needs generously, so that we can achieve more.

Accept, Sir, the assurances of my highest consideration.

(Signed) Ruud Lubbers

Annex

2001 REVISED BUDGETS AS PER ACTION 2
(as of 15 May 2001)

Region	2001 Initial EXCOM Annual Budget & Global Appeal Supple. Budget	BEFORE ACTION 2			AFTER ACTION 2				
		Current Appropriation 10/05/01 & Current SB budgets	Savings 20% freeze on OPS & NSC Annual Budget (Staff Costs at 100%)	Spending Ceiling	Current Appropriation 10/05/01 & Current SB budgets	ACTION 2 Proposed reductions	ACTION 2 agreed reductions	ACTION 2 Final reductions	REVISED BUDGET FOR 2001
	a	b	c	d = b - c	e	f	g	h	i = e - h
ANNUAL PROGRAMME									
West and Central Africa	71,610.7	74,312.7	13,545.1	60,767.6	74,312.7	1,922.5		5,868.0	68,444.7
The Great Lakes, EHA	190,058.4	194,008.0	33,631.5	160,376.5	194,008.0	28,701.9		22,517.4	171,490.6
Southern Africa	30,876.4	33,151.5	7,082.7	26,068.8	33,151.5	2,015.0		868.0	32,283.5
Sub Total AFRICA	**292,545.5**	**301,472.2**	**54,259.3**	**247,212.9**	**301,472.2**	**32,639.4**	**28,500.0**	**29,253.4**	**272,218.8**
Asia & the Pacific	**56,361.2**	**56,454.5**	**7,188.0**	**49,266.5**	**56,454.5**	**16,652.4**	**4,619.2**	3,488.0	**52,966.5**
Europe	77,488.0	74,862.9	8,385.8	66,477.1	74,862.9	19,989.9	11,673.9	10,315.7	64,547.2
South-Eastern Europe	138,754.0	138,754.0	21,399.3	117,354.7	138,754.0	39,015.2	26,813.1	26,136.6	112,617.4
Sub Total EUROPE	**216,242.0**	**213,616.9**	**29,785.1**	**183,831.8**	**213,616.9**	**59,005.1**	**38,487.0**	**36,452.3**	**177,164.6**
The Americas	**25,401.8**	**24,362.8**	**2,538.8**	21,824.0	**24,362.8**	7,199.4	2,092.2	1,844.7	**22,518.1**
CASWANAME	**78,734.7**	**81,836.9**	**14,882.4**	66,954.5	**81,836.9**	15,412.9	5,167.7	4,962.4	**76,874.5**
Global Operations	**49,999.6**	**57,845.8**	**17,567.2**	40,278.6	**57,845.8**	16,055.0	5,839.6	5,812.5	**52,033.3**
TOTAL FIELD	**719,284.8**	**735,589.1**	**126,220.8**	**609,368.3**	**735,589.1**	**146,964.2**	**84,705.7**	**81,813.3**	**653,775.8**
Headquarters (excl. Regular Budget)	**73,808.8**	**76,795.2**	**9,084.5**	**67,710.7**	**76,795.2**	1,927.2	953.6	245.8	76,549.4
TOTAL FIELD & HEADQUARTERS	**793,093.6**	**812,384.3**	**135,305.3**	**677,079.0**	**812,384.3**	**148,891.4**	**85,659.3**	**82,059.1**	**730,325.2**
Operational Reserve	79,309.4	60,018.6	(19,290.8)	79,309.4	60,018.6	-	8,600.0	8,232.0	51,786.5
SUB-TOTAL ANNUAL PROGRAMME	**872,403.0**	**872,402.9**	**116,014.5**	**756,388.4**	**872,402.9**	**148,891.4**	**94,259.3**	**90,291.1**	**782,111.7**
SUPPLEMENTARY PROGRAMME									
ANGOLA	11,527.8	10,230.1	(1,297.7)	11,527.8	10,230.1	-	6,500.0	4,730.1	5,500.0
SIERRA LEONE	18,990.3	14,948.4	(4,041.9)	18,990.3	14,948.4	-	-	0.0	14,948.4
ERITREA	24,685.5	22,965.9	(1,719.6)	24,685.5	22,965.9	-	-	0.0	22,965.9
GLOBAL CONSULTATIONS	1,144.7	1,144.7	0.0	1,144.7	1,144.7			0.0	1,144.7
SUB-TOTAL SUPPLEMENTARY BUDGETS	**56,348.3**	**49,289.1**	**(7,059.2)**	**56,348.3**	**49,289.1**	-	**6,500.0**	**4,730.1**	**44,559.0**
UN Regular Budget (for Headquarters)	19,124.7	19,124.7	0.0	19,124.7	19,124.7		-	(54.1)	19,178.8
Junior Professional Officers	7,000.0	7,000.0	0.0	7,000.0	7,000.0		-	0.0	7,000.0
Total U.N.H.C.R.	**954,876.0**	**947,816.7**	**108,955.3**	**838,861.4**	**947,816.7**	**148,891.4**	**100,759.3**	**94,967.1**	**852,849.5**

A/AC.96/950
page 129
Annex 5

PROPOSALS FOR BUDGET STRUCTURE

(Note: These proposals were presented to the 21st meeting of the Standing Committee in conference room paper EC/51/SC/CRP.15/Rev.1, which included the letter of the ACABQ of 7 June 2001. A slightly amended version is reproduced below that includes clarifications requested, notably concerning access to the Operational Reserve (para. 3 (xi)).

I. INTRODUCTION

1. The proposals contained in this paper have been formulated in the light of the Standing Committee's consultations held on 8 May 2001. They build on the generally positive experience gained so far in implementing the unified budget and underline the determination to retain the principle of a unified structure for UNHCR's planned activities. They also take account of some lessons learned during the first year of the unified budget, and adjustments proposed to UNHCR's budgetary presentation, linked to the High Commissioner's review exercise known as Action 2(see Annex 5).

2. The proposals below were also presented to the Advisory Committee on Administrative and Budgetary Questions (ACABQ) for comment; the ACABQ undertook to revert to them at its Fall session in 2001.

II. PROPOSALS

3. The following proposals relate to the management of UNHCR's unified budget:

Approval of the Annual Programme Budget

(i) The Executive Committee at its annual Plenary Session will approve the Annual Programme Budget, which includes core activities (see Annex 5 A, para. 1.2)) directly related to UNHCR's core mandate, and non-core activities (see Annex 5 A, paras 3.1-3.2)) that are linked to or in support of core activities. Core activities are referred to as Core Operations. Non-core activities, at the programme level, are referred to as Special Operations. Donors should give clear priority to the full funding of core activities.

Types of resources

(ii) Within the unified budget, activities will be prioritized[1] between core and non-core activities, which will be funded through two different types of resources.

(iii) The two types of resources are: those from the United Nations Regular Budget allocated for administrative costs of the Office related to core activities (Management and Administration (MA)), and voluntary contributions for resourcing both core and non-core activities.

---

[1] This basic form of prioritization will need to be supplemented at the country level by more specific priorities, in the light of clear strategic objectives established by the Office across regions and within regions.

Unearmarked/earmarked contributions

(iv) In addition to the United Nations Regular Budget contribution, core activities will be funded through voluntary contributions pledged/contributed to the Office to discharge its primary mandate of providing protection to refugees and seeking durable solutions to refugee situations. Those contributions can be entirely unearmarked (i.e. unrestricted in their application), broadly earmarked to a region, function, theme, or activity, or specifically earmarked to a core activity of the Office.

(v) Non-core activities will be funded under the unified budget through voluntary contributions that are specifically earmarked for particular activities in the category of Special Operations.

(vi) Donors will specify how and where their contributions are to be used: either as unearmarked or earmarked resources; unearmarked resources will only be used in support of core activities.

(vii) The funding dynamics of resources for core or non-core activities within the unified budget will be different. Unearmarked contributions could be used for any of the core activities. Earmarked funding for core activities will be applied according to the earmarking constraints. Contributions made for a specific non-core activity will be earmarked and self-contained; that is, they can only be used for that activity, and their scope/duration will be limited by the availability of resources designated for that activity. Consistent with their self-contained nature, the budgets for non-core activities will include the appropriate support costs.

Supplementary Programmes

(viii) In the event of a new operational need that was unforeseen and thus not included in the Annual Programme Budget submitted for approval to the annual session of the Executive Committee, and which cannot be addressed under the provisions of the Operational Reserve,[2] a Supplementary Programme (either core or non-core[3]) shall be established.

(ix) For the purposes of comprehensiveness and transparency, all activities will normally be considered as resourced within the unified budget, either as core or non-core, and thus be part of a common financial reporting system. This also applies to Supplementary Programmes.

Trust Funds

(x) Trust Funds under both the Annual Programme and the Supplementary Programmes cover activities for which UNHCR receives monies from donors without assuming ownership of the funds (Audit Report, A/AC.96/948, paragraph 10). These trust funds will be managed in accordance with UNHCR's Financial Rules (A/AC.96/503 Rev.7, Articles 6.10 and 6.11). Such extra-budgetary funds will be used only for the purpose(s) determined by the donor(s) that are consistent with the purposes of the Office; related activities will be initiated only when funds have been received. Support costs have to be

---

[2] See para. (xi) on the Operational Reserve.

[3] UNHCR could be requested by a State or an appropriate organ of the United Nations to undertake a non-core activity e.g. a large movement of internally displaced persons, which has all the characteristics of an emergency.

covered by the Trust Funds. The use of Trust Funds will be governed by strict criteria, to avoid the excessive use of such form of funding by donors with specific interests.

Operational Reserve

(xi) With regard to the purposes and use of the Operational Reserve, the current Financial Rules will be reviewed. It is proposed that the level of the Operational Reserve should remain at 10% of programmed activities (both core and non-core) to be presented to the Executive Committee for approval. In relation to Supplementary Programmes (see 3 (viii) above), different procedures governing access to the Operational Reserve shall apply for core and non-core activities. Procedures governing access to the Operational Reserve for core activities would remain as at present. Before implementation of a Special Operation (non-core activity), a formal pledge should normally have been made by one or more donors. However, in exceptional circumstances, Special Operations would have access to the Operational Reserve up to a limit of $ 5 million per operation, provided that some donor(s) have already expressed their interest for this new non-core activity at a Special Donor meeting. Any transfers from the Operational Reserve for non-core activities are by way of an advance and should be reimbursed from the first pledges for the Special Operation, preferably within 30 days of the transfer and, in all cases, before the year-end closure of accounts. Moreover, in any financial year, total transfers from the Operational Reserve as advances for Special Operations (non-core activities) should never exceed 25% of the approved level of the entire Operational Reserve.

DECISION ON PROPOSALS FOR BUDGET STRUCTURE
(see Report of 21st meeting of Standing Committee
A/AC.96/956, Annex B)

The Standing Committee,

Referring to the proposals set out in document EC/51/SC/CRP.15/Rev.1 on the budget structure,

(a) *Takes note* of the comments provided by the ACABQ in their letter of 7 June 2001, contained in Annex I to the aforementioned document;

(b) *Takes note* in particular that the ACABQ will further review these proposals in September 2001, in the context of its consideration of UNHCR's proposed Annual Programme Budget for 2002;

(c) *Recalls* the ACABQ's earlier recommendation (A/AC.96/900/Add.3, para. 40) that the Executive Committee should provide policy guidelines to assist the High Commissioner when accepting additional supplementary activities; *notes* the relevance in this context of the guiding principles applicable to the resourcing of UNHCR's unified budget adopted by the Standing Committee at its 18th meeting (A/AC.96/939 Annex B); and *requests* that draft policy guidelines addressing all the criteria mentioned by the ACABQ be presented to the 22nd meeting of the Standing Committee;

(d) *Requests* UNHCR to prepare the Annual Programme Budget for 2002 within the unified budget format.

DECISION ON GUIDING PRINCIPLES APPLICABLE TO THE RESOURCING OF UNHCR'S UNIFIED BUDGET
(see Report of 18th meeting of Standing Committee A/AC.96/939, Annex B)

The Standing Committee,

Welcoming the introduction of UNHCR's Global Appeal, Global Report and Mid-Year Progress Report,

Noting that UNHCR is dependent for 98 per cent of its requirements on voluntary funding,

Stressing that direct financial support is not the only support to the work of UNHCR for refugees and other persons of concern, but that significant contributions provided by countries that host refugee populations should also be taken into consideration,

Recognizing that governments are the major donors, and that the current donor base is relatively narrow,

Noting that donors do not at present follow a standard pattern in making their contributions to UNHCR,

Noting further that the tendency to earmark funds has become more prominent in recent years,

Welcoming the recent introduction of a unified budget, combining General Programmes and Special Programmes, and the specification of support costs under Programme Support and Management and Administration, for the purpose of ensuring greater flexibility in the use of available resources as well as increased transparency in the use of funds, in line with the harmonization of budget structures within the United Nations system,

Acknowledging that the recent introduction of the unified budget calls for a common understanding of and approach to the funding of UNHCR's activities,

1. *Recognizes* and *supports* the following general principles:

   (a) The desirability of full resourcing and implementation of the Annual Programme Budget, as approved by the Executive Committee;

   (b) The importance of consultations between UNHCR and Executive Committee members to establish clear prioritization throughout the Annual Programme Budget cycle, and according to its mandate;

   (c) The prerogative of donors to maintain certain general priorities in their support for UNHCR's activities;

   (d) The importance of respecting and supporting the multilateral nature of UNHCR's mandate;

(e) The importance for UNHCR of being able to predict when contributions will be received, in order to plan and implement programmes approved by the Executive Committee;

(f) The importance for UNHCR to have adequate flexibility in the use of the funds made available, to allow it to meet established operational priorities;

(g) The need for adequate unearmarked contributions and/or adequate earmarked contributions for both Global Operations and Headquarters, to establish such flexibility;

(h) The need for equitable sharing, among donors, of resourcing both Global Operations and Headquarters;

(i) The desirability for donors to avoid:

(i) Earmarking below country level;
(ii) Concentration of earmarking on specific and visible activities or situations, both geographically and in given sectors;
(iii) Earmarking that diverges from the activities within the Annual Programme Budget, as well as timeframes that are at variance with the annual cycle of UNHCR's programmes;

(j) The need for UNHCR, in cases where such earmarkings cannot be avoided, to invite donors to consider meeting the cost of additional administrative work involved in implementing their contribution;

(k) The usefulness of the Global Report and Mid-Year Report in providing donors with the information they require on the use of their contributions, on the understanding that any additional reporting requirements by donors should be brought to UNHCR's attention in a timely fashion, and an agreement reached on specific arrangements to address such requirements, including possible resources required;

(l) The usefulness of regular consultations to address problems related to resource mobilization, including those at multilateral level, as part of efforts to maintain full transparency on all budgetary issues;

(m) The necessity for UNHCR to make every effort to expand its donor base;

2. *Takes note* of the above general principles applicable to the resourcing of UNHCR's unified budget, and requests UNHCR and donors to explore appropriate measures for the implementation of these principles.

Draft decision on

Guidelines on Supplementary Activities

The Standing Committee,

Recalling the endorsement by the General Assembly in its resolution 54/146 of 17 December 1999, of a unified annual programme budget for the activities of the Office of the High Commissioner,

Noting that the Financial Rules for Voluntary Funds Administered by UNHCR define "Supplementary Programmes" as "those activities that arise after the approval of the Annual Programme Budget and before the approval of the next Annual Programme Budget, and which cannot be fully met from the Operational Reserve. They will be funded through contributions in reply to special appeals"[1],

Recalling the recommendation of the Advisory Committee on Administrative and Budgetary Questions[2] that the Executive Committee provide to the High Commissioner guidelines for undertaking supplementary activities,

Recalling the *Decision on Guiding Principles applicable to the Resourcing of UNHCR's Unified Budget* adopted by the Standing Committee at its 18th meeting[3] expressing support for regular consultations in addressing issues of resource mobilization as part of efforts to maintain full transparency on all budgetary issues,

Recalling also its decision adopted at its 21st meeting[4], *reaffirming* its support for the review undertaken by the High Commissioner under his Actions 1, 2 and 3, and *expressing its commitment* to the principles resulting from Action 1,

1. *Proposes* the application of the following criteria in undertaking supplementary activities:

   (a) The unified Annual Programme Budget should remain the framework for the activities of the Office, thereby ensuring transparency, cohesiveness and accountability for all activities undertaken in support of those of concern to the Office;

   (b) Options available for resourcing new activities include reallocations within an existing approved project budget; transfers between appropriations; and allocations from the Operational Reserve. When the volume of the activities is such that they cannot be met from resources within the approved budget level, a Supplementary Programme would be required, in accordance with the provisions of the Financial Rules. The Supplementary Programme would subsequently be incorporated into the next proposed Annual Programme Budget;

---

[1] A/AC.96/503/Rev.7, art. I, 1.6 (g).
[2] A/AC.96/900/Add.3, para. 40; ACABQ's letter to the High Commissioner of 7 June 2001.
[3] A/AC.96/939, Annex, B.
[4] A/AC.96/956, Annex, A.

(c) In undertaking supplementary activities, the criteria and characteristics listed by the ACABQ in its *Overview of UNHCR's activities 1997-1999* (A/AC.96/900, Add. 3 and 4), and in the *Guidelines on priority-setting* appended to the results of the High Commissioner's Action 1[5] should apply to these activities;

(d) In developing or reviewing partnership agreements with other entities that may contribute to the work of the Office, particular provision should be made for their involvement and contribution to activities that are the subject of Supplementary Programmes.

(e) In the case of supplementary activities such as those relating to internally displaced persons or to longer-term reintegration activities, procedures on the resourcing of Special Operations should apply[6].

---

[5] EC/51/SC/CRP.14/Add.2.
[6] See A/AC.96/950, Annex 6.

OPERATIONAL RESERVE

(Extract from UNHCR's Financial Rules A/AC.96/503/Rev.7)

Operational Reserve

6.5 The Operational Reserve is established to:

(a) provide assistance to refugees, returnees and displaced persons in emergency situations for which there is no provision in the programmes approved by the Executive Committee;

(b) provide such additional administrative expenditure resulting from those emergencies as cannot be met from the Annual Programme Budget or Supplementary Programmes, pending action by the Executive Committee or the General Assembly;

(c) fund planning of repatriation, especially in regard to the necessary measures to be taken on behalf of returnees in their country of origin;

(d) fund preparations in country of asylum for voluntary repatriations not otherwise provided for, and activities related to actual return;

(e) provide supplementary funding for voluntary repatriations, including initial reintegration needs in the country of origin;

(f) cover unexpected increases in the costs of projects financed from the current or previous year's Annual Programme Budget, or from an Operational Reserve allocation made in a current or previous year to cover an emergency;

(g) meet the cost of modifications to current year projects under the Annual Programme Budget that may be necessary to achieve the approved project objectives;

(h) increase existing allocations to meet needs resulting from a new influx of refugees belonging to a group already receiving assistance under the current year Annual Programme Budget;

(i) increase, as required, with the Executive Committee's approval, the Fund for International Field Staff Housing and Basic Amenities.

6.6 An operational Reserve shall be constituted at an amount equivalent to 10 per cent of the proposed programmed activities in the Annual Programme Budget being submitted for approval. The operational Reserve shall be maintained at not less than $ 10,000,000 by replenishments from the Working Capital and Guarantee Fund.

6.7 The High Commissioner may make transfers of appropriations from the Operational Reserve to other parts of the Annual Programme Budget for

the purposes set out in Article 6.5, provided the amount made available for any one programme shall not exceed $ 10,000,000 in any one year.

6.8 The High Commissioner may make allocations from the Operational Reserve to other parts of the Annual Programme Budget and to Supplementary Programmes for the purposes set out in Article 6.5, provided that the amount made available for any one programme shall not exceed $ 10,000,000 in any one year. An Operational Reserve allocation may be cancelled if sufficient funds are subsequently received in response to a related appeal (be it by UNHCR, and inter-agency appeal or a Consolidated Appeal); or if the funds, or part thereof, have not been obligated at the end of a given year.

6.9 The High Commissioner shall report to the Executive Committee at each annual session, and at each regular session of its Standing Committee, on the use made of the Operational Reserve.

Working Capital and Guarantee Fund

(Extract from UNHCR's Financial Rules)

6.3 A Working Capital and Guarantee Fund is established at a ceiling determined by the Executive Committee. The Fund shall be maintained by income from the following sources:

(a) income from repayments of loans;

(b) savings from prior years' Annual Programme Budget, and Supplementary Programmes unless agreed otherwise with donors in the case of restricted contributions. For trust fund accounts, savings shall be applied to the account where savings were made;

(c) income from investments;

(d) voluntary contributions;

(e) other miscellaneous income including exchange gains and losses, as well as the net income of revenue-producing activities unless the Executive Committee has directed otherwise on the use of income from those activities.

6.4 The Working Capital and Guarantee Fund may be utilized for the following purposes:

(a) to replenish the Operational Reserve;

(b) to meet essential payments due for the implementation of projects pending receipt of contributions pledged;

(c) to guarantee obligations incurred against governmental pledges or firm pledges from organizations of established repute;

(d) to guarantee commitments in respect of revenue-producing activities of UNHCR;

(e) to fund payments for bank charges;

(f) to fund in the course of a given year, obligations incurred under the Annual Programme Budget, including the Operational Reserve, and Supplementary Programmes, pending the receipt of anticipated contributions, on the condition that the level of obligations so funded does not exceed one-twelfth of the total amount, excluding the amount of the Operational Reserve, approved by the Executive Committee for that year's Annual Programme Budget. However, this funding facility shall only be used to the extent that:

(i) at the end of a given year, obligations thus funded do not exceed 3 per cent of that year's level of the Annual Programme Budget, excluding that of the Operational Reserve, approved by the Executive Committee;

(ii) the Working Capital and Guarantee Fund shall be replenished as a matter of priority in the subsequent year according to the provisions of Article 6.3 above, and where appropriate and necessary, from unrestricted contributions to the Annual Programme Budget;

(g) the Working Capital and Guarantee Fund may be utilized to guarantee budgetary increases under the Headquarters component of the Annual Programme Budget and the Supplementary Programmes that may result directly from exchange rate fluctuations in a given year, provided that such increases do not exceed 2 per cent of the approved Annual Programme Budget level (excluding the amount of the Operational Reserve) and the level of Supplementary Programmes for that year. If recourse is made to the Working Capital and Guarantee Fund for such a purpose, the Fund shall be replenished in the subsequent year in accordance with the provisions of Article 6.3; and

(h) for any other purpose that the Executive Committee may authorize.

DEFINITIONS

A. Support Cost Categories

1. The support cost categories of Management and Administration and Programme Support were introduced, for the first time, in the *Annual Programme Budget 2000*.

2. Definitions of these categories are repeated below for ease of reference.

> *Management and Administration* (MA) *of Organization: Organizational units whose primary function is the maintenance of the identity, direction and well-being of an organization. This will typically include units that carry out the functions of executive direction, organizational policy and evaluation, external relations, information and administration.*
>
> *Programme Support* (PS)*: Organizational units whose primary function is the development, formulation, delivery and evaluation of an organization's programmes. This will typically include units that provide backstopping of programmes either on a technical, thematic, geographic, logistical or administrative basis.*

B. Related Costs

3. Staff costs cover salaries and common staff costs such as dependency allowances, education grants, medical examinations, etc. Non-staff costs cover travel, contractual services, operating expenses, supplies and materials, etc. Contractual services include language training, external translation and interpretation contracts, external printing and binding, public information and production costs, etc. Operating expenses refer to items such as rental and maintenance, utilities (water, electricity, etc.), telephones and stationery. Non-staff costs for both Field and Headquarters locations are allocated on a pro-rata basis between Programme Support or Management and Administration.

C. UNHCR Posts

4. There are three categories of posts, namely Management and Administration (MA), Programme Support (PS) and Programme (P) posts. Management and Administration posts are found only at Headquarters; Programme Support posts at both Headquarters and in the Field; and Programme posts only in the Field.

D. Regular Budget Posts

5. Of the Management and Administration posts at Headquarters, some 220 are currently funded through the United Nations Regular Budget contribution.